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ABSTRACT

The Senate Committee on Veterans' Affairs recommended passage of the Veterans' Readjustment Benefits Improvement Act of 1992, as amended. The act would revise and improve educational assistance programs for veterans and members of the Armed Forces and improve certain vocational assistance programs for them. This document contains the text of the act, as amended, and a discussion of four titles: Title I--the Educational Assistance Programs; Title II--Vocational Rehabilitation and Pension Programs; Title III--Job Counseling, Training, and Placement Services for Veterans; and Title IV--Cost Savings. It also contains a cost estimate, a regulatory impact statement, a tabulation of votes case in committee, agency reports, and changes in existing law made by the proposed act as reported. (KC)

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Calendar No. 642

102D CONGRESS *2d Session*	SENATE	REPORT 102-379

VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992

REPORT

OF THE

COMMITTEE ON VETERANS' AFFAIRS UNITED STATES SENATE

TO ACCOMPANY

S. 2647

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
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AUGUST 12 (legislative day, AUGUST 5), 1992.—Ordered to be printed

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102D CONGRESS
2d Session

SENATE

REPORT
102-379

VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992

AUGUST 12 (legislative day, AUGUST 5), 1992.—Ordered to be printed

Mr. CRANSTON, from the Committee on Veterans' Affairs, submitted the following

REPORT

[To accompany S. 2647]

The Committee on Veterans' Affairs, to which was referred the bill (S. 2647) to amend title 38, United States Code, and title 10, United States Code, to revise and improve educational assistance programs for veterans and members of the Armed Forces, to improve certain vocational assistance programs for veterans, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a committee substitute, and recommends that the bill, as amended, do pass.

COMMITTEE AMENDMENT

The amendment is as follows:

Strike out all after the enacting clause as follows:

[SECTION 1. SHORT TITLE

[This Act may be cited as the "Veterans' Readjustment Benefits Improvement Act of 1992".

[TITLE I—EDUCATIONAL ASSISTANCE PROGRAMS

[SEC. 101. INCREASE IN AMOUNT OF BASIC EDUCATIONAL ASSISTANCE.

[(a) ALL VOLUNTEER FORCE.—(1) Subsection (a) of section 3015 of title 38, United States Code, is amended—

[(A) in the matter above paragraph (1), by striking out "(e), and (f)" and inserting in lieu thereof "(e)"; and

[(B) in paragraph (1), by striking out "$300" and inserting in lieu thereof "$450".

[(2) Subsection (b) of such section is amended—

[(A) in the matter above paragraph (1), by striking out "(e), and (f)" and inserting in lieu thereof "(e)"; and

[(B) in paragraph (1), by striking out "$250" and inserting in lieu thereof "$375".

[(3) Subsection (c) of such section is amended by striking out "$400" and "$700" and inserting in lieu thereof "$550" and "$850", respectively.

[(4) Subsection (f) of such section is repealed.

[(b) SELECTED RESERVE.—Subsection (b) of section 2131 of title 10, United States Code, is amended—

[(1) by striking out "(b)(1) Except as provided in paragraph (2) and" and inserting in lieu thereof "(b) Except as provided in";

[(2) by striking out paragraph (2);

[(3) by redesignating subparagraphs (A), (B), (C), and (D) as paragraphs (1), (2), (3), and (4), respectively;

[(4) in paragraph (1), as redesignated by paragraph (3) of this subsection, by striking out "$140" and inserting in lieu thereof "$200";

[(5) in paragraph (2), as redesignated by paragraph (3) of this subsection, by striking out "$105" and inserting in lieu thereof "$150"; and

[(6) in paragraph (3), as redesignated by paragraph (3) of this subsection, by striking out "$70" and inserting in lieu thereof "$100".

[(c) CONFORMING AMENDMENTS.—(1) Subsection (f)(2) of such section is amended by striking out "(b)(1)(A)" and inserting in lieu thereof "(b)(1)".

[(2) Subsection (g)(3) of such section is amended by striking out "(b)(1)(A)" and inserting in lieu thereof "(b)(1)".

[(d) EFFECTIVE DATES.—The amendments made by subsections (a), (b), and (c) shall take effect on September 31, 1992, and shall apply to amounts of educational assistance paid for education or training pursued on or after that date.

[SEC. 102. AUTHORITY OF MEMBERS OF SELECTED RESERVE TO PURSUE GRADUATE COURSES OF EDUCATION.

[Section 2131(c)(1) of title 10, United States Code, is amended by striking out "other than a program" and all that follows through the end of the sentence and inserting in lieu thereof a period.

[SEC. 103. AUTHORITY OF MEMBERS OF SELECTED RESERVE TO RECEIVE TUTORIAL ASSISTANCE.

[Section 2131 of title 10, United States Code, is amended by adding at the end the following new subsection:

["(h)(1)(A) Subject to subparagraph (B), the Secretary of Veterans Affairs shall approve individualized tutorial assistance for any person entitled to educational assistance under this chapter who—

["(i) is enrolled in and pursuing a postsecondary course of education on a half-time or more basis at an educational institution; and

["(ii) has a deficiency in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, the program of education.

["(B) The Secretary of Veterans Affairs shall not approve tutorial assistance for a person pursuing a program of education under this paragraph unless such assistance is necessary for the person to successfully complete the program of education.

["(2) The Secretary concerned, through the Secretary of Veterans Affairs, shall pay to a person receiving tutorial assistance pursuant to paragraph (1) a tutorial assistance allowance. The amount of the allowance payable under this paragraph may not exceed $100 per month, for a maximum of twelve months, or until a maximum of $1,200 is utilized. The amount of the allowance paid under this paragraph shall be in addition to the amount of educational assistance allowance payable to a person under this chapter.

["(3)(A) A person's period of entitlement to educational assistance under this chapter shall be charged only with respect to the amount of tutorial assistance paid to the person under this subsection in excess of $600.

["(B) A person's period of entitlement to educational assistance under this chapter shall be charged at the rate of one month for each amount of assistance paid to the individual under this section in excess of $600 that is equal to the amount of the monthly educational assistance allowance which the person is otherwise eligible to receive for full-time pursuit of an institutional course under this chapter.".

[SEC. 104. TREATMENT OF CERTAIN ACTIVE DUTY SERVICE TOWARD ELIGIBILITY FOR EDUCATIONAL ASSISTANCE.

[(a) TREATMENT OF SERVICE.—Subsection (d) of section 3011 of title 38, United States Code, is amended—

[(1) in paragraph (1), by striking out "(2) and (3)" and inserting in lieu thereof "(2), (3), and (4)"; and

[(2) by adding at the end the following new paragraph:

["(4) The period of service referred to in paragraph (1) of this subsection, in the case of a member referred to in subclause (I) or (III) of subsection (a)(1)(A)(ii) of this section who reenlists or re-enters on active duty, also includes any period, not exceeding 12 months of continuous active duty, from which the member was discharged as described in such subclause (I) or (III).".

[(b) ADJUSTMENT IN REDUCTION OF BASIC PAY.—Subsection (b) of such section is amended—

[(1) by striking out "(b) The" and inserting in lieu thereof "(b)(1) The"; and

[(2) by adding at the end the following new paragraph:

["(2)(A) The number of months of basic pay of a member referred to in subparagraph (B) of this paragraph that shall be reduced under paragraph (1) of this subsection shall be 12 minus the number of months that the member's basic pay was reduced during the member's preceding period or periods of active duty.

["(B) Subparagraph (A) of this paragraph applies to a member of the Armed Forces—

["(i) whose basic pay was reduced under paragraph (1) of this subsection for any period of active duty service referred to in paragraph (4) of subsection (d) that the member served prior to the member's reenlistment or reentry on active duty; and

["(ii) who does not make an election under subsection (c)(1) of this section upon such reenlistment or reentry.".

[SEC. 105. EDUCATIONAL ASSISTANCE FOR ACTIVE DUTY MEMBERS PURSUING PROGRAM OF EDUCATION ON MORE THAN HALF-TIME BASIS.

[Subsection (a) of section 3032 of title 38, United States Code, is amended to read as follows:

["(a) The amount of the monthly educational assistance allowance payable to an individual entitled to educational assistance under this chapter who pursues a program of education on less than half-time basis is the amount determined under subsection (b) of this section.".

[SEC. 106. EDUCATIONAL ASSISTANCE FOR CERTAIN PERSONS WHOSE INITIAL PERIOD OF OBLIGATED SERVICE WAS LESS THAN THREE YEARS.

[Section 3015 of title 38, United States Code (as amended by section 101), is amended—

[(1) in subsection (a), by inserting ", and (f)" after "(e)";

[(2) in subsection (b), by inserting ", and (f)" after "(e)";

[(3) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively;

[(4) in subsection (d) (as redesignated by paragraph (3)), by striking out "(a) and (b)" and inserting in lieu thereof "(a), (b), and (c)"; and

[(5) by inserting after subsection (b) the following new subsection (c):

["(c)(1) The amount of basic educational allowance payable under this chapter to an individual referred to in paragraph (2) of this subsection is the amount determined under subsection (a) of this section.

["(2) Paragraph (1) of this subsection applies to an individual entitled to an educational assistance allowance under section 3011 of this title—

["(A) whose initial obligated period of active duty is less than three years;

["(B) who, beginning on the date of the commencement of the person's initial obligated period of such duty, serves a continuous period of active duty of not less than three years; and

["(C) who, after the completion of such period of active duty, meets one of the conditions set forth in subsection (a)(3) of such section 3011.".

[SEC. 107. REPEAL OF ADVANCE PAYMENT OF WORK-STUDY ALLOWANCE.

[Section 3485(a) of title 38, United States Code, is amended by striking out the third sentence.

[SEC. 108. REVISION OF REQUIREMENTS RELATING TO APPROVAL OF ACCREDITED COURSES.

[(a) REVISION OF REQUIREMENTS.—Subsection (a) of section 3675 of title 38, United States Code, is amended—

[(1) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

[(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

[(3) by striking out the matter below subparagraph (C) (as so redesignated) and inserting in lieu thereof the following new paragraphs:

["(2)(A) For the purposes of this chapter, the Secretary of Education shall publish a list of nationally recognized accrediting agencies and associations which that Secretary determines to be reliable authority as to the quality of training offered by an educational institution.

["(B) A State approving agency may, upon concurrence, utilize the accreditation of any accrediting association or agency listed pursuant to subparagraph (A) of this paragraph for approval of courses specifically accredited and approved by such accrediting association or agency.

["(3)(A) An educational institution shall submit an application for approval of courses to the appropriate State approving agency. In making application for approval, the institution (other than an elementary school or secondary school) shall transmit to the State approving agency copies of its catalog or bulletin which must be certified as true and correct in content and policy by an authorized representative of the institution.

["(B) Each catalog or bulletin transmitted by an institution under subparagraph (A) of this paragraph shall—

["(i) state with specificity the requirements of the institution with respect to graduation;

["(ii) include the information required under paragraphs (6) and (7) of section 3676(b) of this title; and

["(iii) include any attendance standards of the institution, if the institution has and enforces such standards.".

[(b) TECHNICAL AMENDMENT.—Subsection (a)(1)(B) of such section (as redesignated by subsection (a)(2)) is amended by striking out "sections 11-28 of title 20;" and inserting in lieu thereof "the Act of February 23, 1917 (20 U.S.C. 11 et seq.);".

[SEC. 109. BAR OF ASSISTANCE FOR PERSONS WHOSE EDUCATION IS PAID FOR AS FEDERAL EMPLOYEE TRAINING.

[Section 3681(a) of title 38, United States Code, is amended by striking out "and whose full salary" and all that follows through the period and inserting in lieu thereof a period.

[SEC. 110. TREATMENT OF ADVANCE PAYMENTS OF CERTAIN ASSISTANCE TO VETERANS WHO DIE.

[(a) TREATMENT.—Section 3680(e) of title 38, United States Code, is amended—

[(1) by striking out "(e) If" and inserting in lieu thereof "(e)(1) Subject to paragraph (2), if"; and

[(2) by adding at the end the following new paragraph:

["(2) Paragraph (1) shall not apply to the recovery of an overpayment of an educational allowance or subsistence allowance advance payment to an eligible veteran or eligible person who fails to pursue a course of education for which the payment is made if such failure is due to the death of the veteran or person.".

[(b) TECHNICAL AMENDMENT.—Section 3680(e) of such title (as amended by subsection (a)) is further amended by striking out "eligible person," and inserting in lieu thereof "eligible person".

[SEC. 111. CLARIFICATION OF PERMITTED CHANGES IN PROGRAMS OF EDUCATION.

[Subsection (d) of section 3691 of title 38, United States Code, is amended to read as follows:

["(d) For the purposes of this section, the term 'change of program of education' shall not be deemed to include a change by a veteran or eligible person from the pursuit of one program to the pursuit of another if—

["(1) the veteran or eligible person has successfully completed the first program;

["(2) the second program leads to a vocational, educational, or professional objective in the same general field as the first program; or

["(3) the first program is a prerequisite to, or generally required for, pursuit of the second program.".

[SEC. 112. DISAPPROVAL OF NONACCREDITED INDEPENDENT STUDY.

[(a) PROHIBITION OF APPROVAL OF NONACCREDITED COURSES.—Section 3676 of title 38, United States Code, is amended by adding at the end the following new subsection:

["(e) Notwithstanding any other provision of this title, a course of education which has not been approved by a State approving agency pursuant to section 3675

of this title may not be approved under this section if it is to be pursued, in whole or in part, by independent study.".

[(b) REQUIREMENT OF DISAPPROVAL OF ENROLLMENT IN CERTAIN COURSES.—

[(1) IN GENERAL.—Section 3473 of title 38, United States Code, is—

[(A) transferred to chapter 36 and inserted after section 3679; and

[(B) redesignated as section 3679A.

[(2) APPLICATION.—Such section 3679A is amended—

[(A) in subsection (a)(4), by striking out "one" and inserting in lieu thereof "an accredited independent study program";

[(B) in subsection (d)(1), by striking out "32, 35, or 36" in the third sentence and inserting in lieu thereof "32, or 35"; and

[(C) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following new paragraph (2):

["(2) Paragraph (1) of this subsection does not apply with respect to the enrollment of a veteran—

["(A) in a course offered pursuant to section 3019, 3034(a)(3), 3234, 3241(a)(2), or 3533 of this title;

["(B) in a farm cooperative training course; or

["(C) in a course described in section 3689(b)(6) of this title.".

[(3) SURVIVORS' AND DEPENDENTS' ASSISTANCE.—Section 3523(a)(4) of such title is amended by striking out "one" and inserting in lieu thereof "an accredited independent study program".

[(c) CONFORMING AMENDMENTS.—

[(1) TITLE 38.—(A) Section 3034 of title 38, United States Code, is amended—

[(i) in subsection (a)(1), by striking out "3473,"; and

[(ii) in subsection (d)(1), by striking out "3473(b)" and inserting in lieu thereof "3679A(b)".

[(B) Section 3241 of such title is amended—

[(i) in subsection (a)(1), by striking out "3473,";

[(ii) in subsection (b)(1), by striking out "3473(b)" and inserting in lieu thereof "3679A(b)"; and

[(iii) in subsection (c), by striking out "3473,".

[(2) TITLE 10.—Section 2136 of title 10, United States Code, is amended—

[(A) in subsection (b), by striking out "1673," ; and

[(B) in subsection (c)(1), by striking out "1673(b)" and inserting in lieu thereof "3679A(b)".

[(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by striking out the item relating to section 3473.

[(2) The table of sections at the beginning of chapter 36 of such title is amended by inserting after the item relating to section 3679 the following new item:

["3679A. Disapproval of enrollment in certain courses.".

[(e) SAVINGS PROVISION.—The amendments made by subsections (a) and (b) shall not apply to any person who is receiving educational assistance under chapter 30, 32, or 35 of title 38, United States Code, or chapter 106 of title 10, United States Code, on the date of the enactment of this Act for pursuit of an independent study program—

[(1) in which the person is enrolled on that date;

[(2) in which the person remains continuously enrolled thereafter (until completion of the program by the person); and

[(3) for which the person continues to meet the eligibility requirements for such assistance that apply to the person on that date.

[SEC. 113. REVISIONS IN MEASUREMENT OF COURSES.

[(a) ELIMINATION OF STANDARD CLASS SESSION REQUIREMENT.—

[(1) TRADE OR TECHNICAL COURSES.—Subsection (a)(1) of section 3688 of title 38, United States Code, is amended by striking out "thirty hours" and all that follows through "full time" and inserting in lieu thereof "22 hours per week of attendance (excluding supervised study) is required, with no more than 2½ hours per week of rest periods allowed".

[(2) COURSES LEADING TO STANDARD COLLEGE DEGREES.—Subsection (a)(2) of such section is amended by striking out "twenty-five hours" and all that follows through "full time" and inserting in lieu thereof "18 hours per week net of instruction (which shall exclude supervised study but may include customary intervals not to exceed 10 minutes between hours of instruction) is required".

[(b) TREATMENT OF CERTAIN COURSES OFFERED BY INSTITUTIONS OF HIGHER LEARNING.—

[(1) GRADUATE COURSES.—Subsection (a)(4) of such section is amended—

[(A) by striking out "in residence"; and

[(B) by inserting "(other than a course pursued as part of a program of education beyond the baccalaureate level)" after "semester-hour basis".

[(2) COURSES NOT LEADING TO COLLEGE DEGREES.—Subsection (a)(7) of such section is amended to read as follows:

["(7) an institutional course not leading to a standard college degree offered by an institution of higher learning on a standard quarter- or semester-hour basis shall be measured as full time on the same basis as provided for in clause (4) of this subsection, except that such a course may not be measured as full time if the course requires less than the minimum weekly hours of attendance required for full-time measurement under clause (1) or (2) of this subsection, as the case may be.".

[(c) MEASUREMENT OF REFRESHER COURSES.—Subsection (a)(6) of such section is amended by striking out "an institutional course" and all that follows through "of this title" and inserting in lieu thereof "an institutional course offered by an educational institution under section 3034(a)(3), 3241(a)(2), or 3533(a) of this title as part of a program of education not leading to a standard college degree".

[(d) MEASUREMENT OF PART-TIME TRAINING.—Subsection (b) of such section is amended by striking out "34 or 35" and inserting in lieu thereof "30, 32, or 35".

[(e) CONFORMING AMENDMENTS.—(1) Section 3688 of title 38, United States Code (as amended by subsections (a) through (d)), is further amended—

[(A) in subsection (a), by striking out the flush material that follows paragraph (7); and

[(B) by striking out subsections (c), (d), and (e).

[(2) Section 3532(c) of such title is amended by striking out paragraphs (3) and (4).

[SEC. 114. REFRESHER TRAINING FOR SURVIVORS AND DEPENDENTS.

[Section 3532 of title 38, United States Code, is amended by adding at the end the following new subsection (f):

["(f)(1) Notwithstanding the prohibition in section 3521(2) of this title (relating to the enrollment of an eligible person in a program of education in which such person is 'already qualified'), an eligible person shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit the person to update the person's knowledge and skills.

["(2) An eligible person pursuing refresher training under this subsection shall be paid an educational assistance allowance based upon the rate prescribed in subsection (a) or (c) of this section, whichever is applicable.

["(3) The educational assistance allowance paid to an eligible person under the authority of this subsection shall be charged against the period of entitlement of the person under section 3511 of this title.".

[SEC. 115. ELIGIBILITY OF CERTAIN OFFICERS FOR EDUCATIONAL ASSISTANCE.

[(a) ACTIVE DUTY.—Section 3011(c)(2) of title 38, United States Code, is amended by inserting "but before October 1, 1992," after December 31, 1976,".

[(b) SELECTED RESERVE.—Section 3012(d)(2) of such title is amended by inserting "but before October 1, 1992," after December 31, 1976,".

[SEC. 116. TECHNICAL AMENDMENTS.

[(a) TITLE 10.—Chapter 106 of title 10, United States Code, is amended—

[(1) in section 2131(c)(2), by striking out "section 1795" and inserting in lieu thereof "section 3695";

[(2) in section 2131(c)(3)(A)(ii), by striking out "section 1795" and inserting in lieu thereof "section 3695";

[(3) in section 2131(c)(3)(C), by striking out "section 1795" and inserting in lieu thereof "section 3695";

[(4) in section 2133(b)(2), by striking out "section 1431(f)" and inserting in lieu thereof "section 3031(f)";

[(5) in section 2133(b)(3), by striking out "section 1431(d)" and inserting in lieu thereof "section 3031(d)"; and

[(6) in section 2136(b) (as amended by section 112(c)(2))—

[(A) by striking out "sections 1670," and all that follows through "and 1685" and inserting in lieu thereof "sections 3470, 3471, 3474, 3476, 3682(g), 3683, and 3685";

[(B) by striking out "1780(c),"; and

[(C) by striking out "1786(a), 1787, and 1792)" and inserting in lieu thereof "3686(a), 3687, and 3692)".

[(b) TITLE 38.—Section 3679A of title 38, United States Code (as redesignated and amended by section 112(a)) is further amended in subsection (b) by striking out "The Secretary" and inserting in lieu thereof "Except as provided in this title or chapter 106 of title 10, the Secretary".

[TITLE II—VOCATIONAL REHABILITATION AND PENSION PROGRAMS

[SEC. 201. PERMANENT PROGRAMS OF VOCATIONAL REHABILITATION FOR CERTAIN VETERANS.

[(a) PERMANENT PROGRAM.—(1) Subsection (a)(1) of section 1163 of title 38, United States Code, is amended by striking out "during the program period" and inserting in lieu thereof "after January 31, 1985,".

[(2) Subsection (a)(2) of such section is amended to read as follows:

["(2) For the purposes of this section, the term 'qualified veteran' means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.".

[(b) COUNSELING SERVICES.—Subsection (b) of such section is amended by striking out "During the program period, the Secretary" and inserting in lieu thereof "The Secretary".

[(c) NOTICE.—Subsection (c)(1) of such section is amended by striking out "during the program period" and all that follows through "(a)(2)(A)" and inserting in lieu thereof "after January 31, 1985, of a rating of total disability described in subsection (a)(2)".

[(d) CONFORMING AMENDMENTS.—(1) The heading of such section is amended to read as follows:

["§ 1163. Trial work periods and vocational rehabilitation for certain veterans with total disability ratings".

[(2) The table of sections at the beginning of chapter 11 of title 38, United States Code, is amended by striking out the item relating to section 1163 and inserting in lieu thereof the following:

["1163. Trial work periods and vocational rehabilitation for certain veterans with total disability ratings.".

[SEC. 202. PERMANENT PROGRAM OF VOCATIONAL TRAINING FOR CERTAIN PENSION RECIPIENTS.

[(a) PERMANENT PROGRAM.—Subsection (a) of section 1524 of title 38, United States Code, is amended to read as follows:

["(a)(1) A veteran who has been awarded pension under this chapter may submit to the Secretary an application for vocational training under this section.

["(2) Subject to paragraph (4) of this subsection, upon the submittal of an application by a veteran under paragraph (1) of this subsection, the Secretary shall—

["(A) make a preliminary finding (on the basis of information contained in the application or otherwise in the possession of the Secretary) whether the veteran has good potential for achieving employment after pursuing a vocational training program under this section; and

["(B) if the Secretary makes a preliminary finding that the veteran has such potential, provide the veteran with an evaluation to determine whether the veteran's achievement of a vocational goal is reasonably feasible.

["(3) An evaluation of a veteran under subparagraph (B) of paragraph (2) shall include a personal interview of the veteran carried out by a Department employee who is trained in vocational counseling (as determined by the Secretary) unless the Secretary determines that such an evaluation is not feasible or is not necessary to make the determination referred to in that subparagraph.".

[(b) CONFORMING AMENDMENTS.—(1) Subsection (b)(4) of such section is amended by striking out "the later of (A)" and all that follows through the period at the end of the first sentence and by inserting in lieu thereof "the end of a reasonable period of time (as determined by the Secretary) following the evaluation of the veteran under subsection (a)(2)(B) of this section".

[(2)(A) The heading of such section is amended to read as follows:

["§ 1524. Vocational training for certain pension recipients".

[(B) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by striking out the item relating to section 1524 and inserting in lieu thereof the following:

["1524. Vocational training for certain pension recipients.".

[SEC. 203. PROTECTION OF HEALTH-CARE ELIGIBILITY.

[(a) PERMANENT PROTECTION.—Section 1525 of title 38, United States Code, is amended—

[(1) in subsection (a), by striking out "during the program period" and inserting in lieu thereof "after January 31, 1985,"; and

[(2) by striking out subsection (b) and inserting in lieu thereof the following:

["(b) For the purposes of this section, the term 'terminated by reason of income from work or training' means terminated as a result of the veteran's receipt of earnings from activity performed for renumeration or with gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.".

[(b) CONFORMING AMENDMENTS.—(1) The heading of such section is amended to read as follows:

["§ 1525. Protection of health-care eligibility".

[(2) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by striking out the item relating to section 1525 and inserting in lieu thereof the following:

["1525. Protection of health-care eligibility.".

[SEC. 204. INCREASE IN SUBSISTENCE ALLOWANCE FOR VETERANS RECEIVING VOCATIONAL OR REHABILITATIVE TRAINING.

[Section 3108(b) of title 38, United States Code, is amended by striking out the table at the end and inserting in lieu thereof the following new table:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$366	$454	$535	$39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20
Farm cooperative, apprentice, or other on-job training:				
Full-time	320	387	446	29
Extended evaluation:				
Full-time	366	454	535	39
Independent living training:				
Full-time	366	454	535	39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20".

[SEC. 205. VOCATIONAL REHABILITATION FOR CERTAIN DISABLED VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS.

[Section 3102 of title 38, United States Code, is amended to read as follows:

["A person shall be entitled to a rehabilitation program under the terms and conditions of this chapter if—

[“(1) the person is—

[“(A)(i) a veteran who has a service-connected disability which is, or but for the receipt of retired pay would be, compensable at a rate of 20 percent or more under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

[“(ii) hospitalized or receiving outpatient medical care, services, or treatment for a service-connected disability pending discharge from the active military, naval, or air service, and the Secretary determines that—

[“(I) the hospital (or other medical facility) providing the hospitalization, care, services, or treatment is doing so under contract or agreement with the Secretary concerned, or is under the jurisdiction of the Secretary of Veterans Affairs or the Secretary concerned; and

[“(II) the person is suffering from a disability which will likely be compensable at a rate of 20 percent or more under chapter 11 of this title; and

[“(B) determined by the Secretary to be in need of rehabilitation because of an employment handicap; or

[“(2) the person is a veteran who—

[“(A) has a service-connected disability which is, or but for the receipt of retired pay would be, compensable at a rate of 10 percent under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; and

[“(B) has a serious employment handicap.”.

[SEC. 206. TREATMENT OF CERTAIN APPLICATIONS FOR PENSION AND DISABILITY AND INDEMNITY COMPENSATION.

[Section 5306(b) of title 38, United States Code, is amended to read as follows:

[“(b)(1) Renouncement of rights shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later date.

[“(2) Except as provided in paragraph (3), a new application for pension, compensation, or dependency and indemnity compensation under this subsection shall be treated as an original application, and no payments shall be made for any period before the date such application is filed.

[“(3) An application for dependency and indemnity compensation to parents payable under section 1315 of this title or for pension payable under chapter 15 of this title that is filed during the one-year period beginning on the date that a renouncement thereto was filed by the person pursuant to subsection (a) shall not be considered an original application, and payment of such benefits shall be made as if the renouncement had not occurred.”.

[SEC. 207. STYLISTIC AMENDMENT.

[(a) IN GENERAL.—Section 5110(h) of title 38, United States Code, is amended by striking out “calendar”.

[(b) RULE OF CONSTRUCTION.—The purpose of subsection (a) is to make a nonsubstantive stylistic amendment that conforms the terminology used in section 5110(h) of title 38, United States Code, to that used in such title.

[TITLE III—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES FOR VETERANS

[SEC. 301. IMPROVEMENT OF DISABLED VETERANS' OUTREACH PROGRAM.

[Section 4103A(a)(1) of title 38, United States Code, is amended in the first sentence by striking out “specialist for each 5,300 veterans” and all that follows through the end of the sentence and inserting in lieu thereof “specialist for each 6,900 veterans residing in such State who are either veterans of the Vietnam era, veterans who first entered on active duty as a member of the Armed Forces after May 7, 1975, or disabled veterans.”.

[SEC. 302. REPEAL OF DELIMITING DATE RELATING TO TREATMENT OF VETERANS OF THE VIETNAM ERA FOR EMPLOYMENT AND TRAINING PURPOSES.

[Section 4211(2) of title 38, United States Code, is amended—

[(1) in subparagraph (A), by striking out “(A) Subject to subparagraph (B) of this paragraph, the term” and inserting in lieu thereof “The term”; and

[(2) by striking out subparagraph (B).]

and insert in lieu thereof the following:

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SECTION 1. SHORT TITLE.

This Act may be cited as the "Veterans' Readjustment Benefits Improvement Act of 1992".

TITLE I—EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 101. INCREASE IN AMOUNT OF MONTGOMERY GI BILL BASIC EDUCATIONAL ASSISTANCE.

(a) ALL VOLUNTEER FORCE.—(1) Section 3015 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(g) Notwithstanding the determination of the Secretary with respect to a fiscal year to pay the monthly rates of educational assistance otherwise provided for under this section, the monthly rates payable for that fiscal year shall be the rates that the Secretary determines to pay under this section plus the following:

"(1) In the case of an individual whose educational assistance would otherwise be determined under subsection (a) of this section—

"(A) $50, for an approved program of education pursued on a full-time basis; or

"(B) an appropriately reduced amount (as determined under regulations prescribed by the Secretary under paragraph (2) of such subsection (a)), for an approved program of education pursued on less than a full-time basis.

"(2) In the case of an individual whose educational assistance would otherwise be determined under subsection (b) of this section—

"(A) $40, for an approved program of education pursued on a full-time basis; or

"(B) an appropriately reduced amount (as determined under regulations prescribed by the Secretary under paragraph (2) of such subsection (b)), for an approved program of education pursued on less than a full-time basis.".

(2) The amendment made by paragraph (1) shall take effect on September 1, 1993, and apply to educational assistance paid for education or training pursued on or after that date.

(b) SELECTED RESERVE.—(1)(A) Subsection (b) of section 2131 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Notwithstanding the determination of the Secretary with respect to a fiscal year to pay the monthly rates of educational assistance otherwise provided for under this subsection, the monthly rates payable for that fiscal year shall be the rates that the Secretary determines to pay under this subsection plus the following:

"(A) $25, in the case of full-time pursuit of a program of education.

"(B) $18.75, in the case of three-quarter-time pursuit of a program of education.

"(C) $12.50, in the case of half-time pursuit of a program of education.

"(D) An appropriately reduced amount, as determined under the regulations referred to in paragraph (1)(D) and subject to the restriction described in that paragraph, in the case of less than half-time pursuit of a program of education.".

(B) Paragraph (1) of such subsection is amended in the matter above subparagraph (A) by striking out "paragraph (2)" and inserting in lieu thereof "paragraphs (2) and (3)"

(2) The amendments made by paragraph (1) shall take effect on September 1, 1993, and apply to educational assistance paid for education or training pursued on or after that date.

SEC. 102. ELIGIBILITY OF CERTAIN OFFICERS FOR EDUCATIONAL ASSISTANCE.

(a) ACTIVE DUTY.—Section 3011(c)(2) of title 38, United States Code, is amended by inserting "but before October 1, 1992," after "December 31, 1976,".

(b) SELECTED RESERVE.—Section 3012(d)(2) of such title is amended by inserting "but before October 1, 1992," after "December 31, 1976,".

SEC. 103. TREATMENT OF CERTAIN ACTIVE-DUTY SERVICE TOWARD ELIGIBILITY FOR EDUCATIONAL ASSISTANCE.

(a) TREATMENT OF SERVICE.—Section 3011 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) For the purposes of this chapter, a member referred to in paragraph (2) of this subsection who serves the periods of active duty referred to in that paragraph shall be deemed to have served a continuous period of active duty whose length is the aggregate length of the periods of active duty referred to in that paragraph.

"(2) This subsection applies to a member who—

"(A) after a period of continuous active duty of not more than 12 months, is discharged or released from active duty under subclause (I) or (III) of subsection (a)(1)(A)(ii) of this section; and

"(B) after such discharge or release, reenlists or re-enters on a period of active duty.".

(b) ADJUSTMENT IN REDUCTION OF BASIC PAY.—Subsection (b) of such section 3011 is amended—

(1) by striking out "(b) The" and inserting in lieu thereof "(b)(1) The"; and

(2) by adding at the end the following new paragraph:

"(2)(A) The number of months of basic pay of a member referred to in subparagraph (B) of this paragraph that shall be reduced under paragraph (1) of this subsection shall be 12 minus the number of months that the member's basic pay was so reduced during the member's preceding period or periods of active duty.

"(B) Subparagraph (A) of this paragraph applies to a member of the Armed Forces—

"(i) whose basic pay was reduced under paragraph (1) of this subsection for any period of active duty service referred to in subsection (e)(2)(A) of this section served by the member; and

"(ii) who does not make an election under subsection (c)(1) of this section upon such reenlistment or reentry.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on June 30, 1985, and apply to the payment of educational assistance for education or training pursued on or after October 1, 1993.

SEC. 104. TREATMENT OF CERTAIN ASSIGNMENTS OF INDIVIDUALS FOR PURPOSES OF ELIGIBILITY UNDER MONTGOMERY GI BILL PROGRAM.

(a) TREATMENT.—Section 3011 of title 38, United States Code (as amended by section 103), is further amended by adding at the end the following new subsection:

"(f) Notwithstanding section 3002(6)(A) of this title, a period during which an individual is assigned full time by the Armed Forces to a civilian institution for a course of education as described in such section 3002(6)(A) shall not be considered a break in service or a break in a continuous period of active duty of the individual for the purposes of this chapter.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 19, 1984.

SEC. 105. EDUCATIONAL ASSISTANCE FOR CERTAIN PERSONS WHOSE INITIAL PERIOD OF OBLIGATED SERVICE WAS LESS THAN THREE YEARS.

(a) EDUCATIONAL ASSISTANCE.—Section 3015 of title 38, United States Code (as amended by section 101), is amended—

(1) by redesignating subsections (c), (d), (e), (f), and (g) (as so amended) as subsections (d), (e), (f), (g), and (h), respectively;

(2) in subsection (d) (as so redesignated), by striking out "(a) and (b)" and inserting in lieu thereof "(a), (b), and (c)"; and

(3) by inserting after subsection (b) the following new subsection (c):

"(c)(1) The amount of basic educational allowance payable under this chapter to an individual referred to in paragraph (2) of this subsection is the amount determined under subsection (a) of this section.

"(2) Paragraph (1) of this subsection applies to an individual entitled to an educational assistance allowance under section 3011 of this title—

"(A) whose initial obligated period of active duty is less than three years;

"(B) who, beginning on the date of the commencement of the person's initial obligated period of such duty, serves a continuous period of active duty of not less than three years; and

"(C) who, after the completion of that continuous period of active duty, meets one of the conditions set forth in subsection (a)(3) of such section 3011.".

(b) CONFORMING AMENDMENTS.—Such section 3015 (as so amended) is further amended—

(1) in subsection (a), by striking out "and (f)" and inserting in lieu thereof "(f), (g), and (h)"; and

(2) in subsection (b), by striking out "and (f)" and inserting in lieu thereof "(f), (g), and (h)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on September 1, 1993, and apply to the payment of educational assistance for education or training pursued on or after that date.

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SEC. 106. CLARIFICATION OF OPPORTUNITY TO WITHDRAW ELECTION NOT TO ENROLL IN MONTGOMERY GI BILL PROGRAM.

(a) CLARIFICATION.—Section 3018(b)(3)(B) of title 38, United States Code, is amended—

(1) by striking out "or (iii)" and inserting in lieu thereof "(iii)"; and

(2) by adding before the semicolon at the end the following: ", or (iv) a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty, as determined by the Secretary of each military department in accordance with regulations prescribed by the Secretary of Defense (or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service of the Navy".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 19, 1984.

SEC. 107. EDUCATIONAL ASSISTANCE RATES FOR CERTAIN ACTIVE-DUTY MEMBERS.

(a) RATES.—Subsection (a) of section 3032 of title 38, United States Code, is amended to read as follows:

"(a) The amount of the monthly educational assistance allowance payable to an individual entitled to educational assistance under this chapter who pursues a program of education on less than half-time basis is the amount determined under subsection (b) of this section.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993, and apply to educational assistance paid for education or training pursued on or after that date.

SEC. 108. USE OF EDUCATIONAL ASSISTANCE FOR SOLO FLIGHT TRAINING.

(a) MONTGOMERY G.I. BILL.—

(1) ACTIVE-DUTY PROGRAM.—Section 3032(f)(1) of title 38, United States Code, is amended by striking out "(other than tuition and fees charged for or attributable to solo flying hours)".

(2) SELECTED RESERVE PROGRAM.—Section 2131(g)(1) of title 10, United States Code, is amended by striking out "(other than tuition and fees charged for or attributable to solo flying hours)".

(b) POST-VIETNAM ERA VETERANS' EDUCATIONAL ASSISTANCE PROGRAM.—Section 3231(f)(1) of title 38, United States Code, is amended by striking out "(other than tuition and fees charged for or attributable to solo flying hours)".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to flight training received under chapters 30 and 32 of title 38, United States Code, and chapter 106 of title 10, United States Code, on or after the first day of the second month following the date of the enactment of this Act.

SEC. 109. LIMITATION ON AMOUNT OF ADVANCE PAYMENT OF WORK-STUDY ALLOWANCE.

Section 3485(a)(1) of title 38, United States Code, is amended in the third sentence—

(1) by striking out "40 per centum" and inserting in lieu thereof "40 percent"; and

(2) by inserting "(but not more than an amount equal to 50 times the applicable hourly minimum wage)" before the period at the end.

SEC. 110. REVISION OF REQUIREMENTS RELATING TO APPROVAL OF ACCREDITED COURSES.

(a) REVISION OF REQUIREMENTS.—Subsection (a) of section 3675 of title 38, United States Code, is amended—

(1) by striking out "(a)" and inserting in lieu thereof "(a)(1)";

(2) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(3) by striking out the matter below subparagraph (C) (as so redesignated) and inserting in lieu thereof the following new paragraphs:

"(2)(A) For the purposes of this chapter, the Secretary of Education shall publish a list of nationally recognized accrediting agencies and associations which that Secretary determines to be reliable authority as to the quality of training offered by an educational institution.

"(B) A State approving agency may utilize the accreditation of any accrediting association or agency listed pursuant to subparagraph (A) of this paragraph for approval of courses specifically accredited and approved by such accrediting association or agency.

"(3)(A) An educational institution shall submit an application for approval of courses to the appropriate State approving agency. In making application for approval, the institution (other than an elementary school or secondary school) shall

transmit to the State approving agency copies of its catalog or bulletin which must be certified as true and correct in content and policy by an authorized representative of the institution.

"(B) Each catalog or bulletin transmitted by an institution under subparagraph (A) of this paragraph shall—

"(i) state with specificity the requirements of the institution with respect to graduation;

"(ii) include the information required under paragraphs (6) and (7) of section 3676(b) of this title; and

"(iii) include any attendance standards of the institution, if the institution has and enforces such standards.".

(b) TECHNICAL AMENDMENT.—Subsection (a)(1)(B) of such section (as redesignated by subsection (a)(2)) is amended by striking out "sections 11-28 of title 20;" and inserting in lieu thereof "the Act of February 23, 1917 (20 U.S.C. 11 et seq.);".

SEC. 111. DISAPPROVAL OF NONACCREDITED INDEPENDENT STUDY.

(a) PROHIBITION OF APPROVAL OF NONACCREDITED COURSES.—Section 3676 of title 38, United States Code, is amended by adding at the end the following new subsection:

"(e) Notwithstanding any other provision of this title, a course of education which has not been approved by a State approving agency pursuant to section 3675 of this title may not be approved under this section if it is to be pursued, in whole or in part, by independent study.".

(b) REQUIREMENT OF DISAPPROVAL OF ENROLLMENT IN CERTAIN COURSES.—

(1) IN GENERAL.—Section 3473 of title 38, United States Code, is—

(A) transferred to chapter 36 and inserted after section 3679; and

(B) redesignated as section 3679A.

(2) APPLICATION.—Such section 3679A is amended—

(A) in subsection (a)(4), by striking out "one" and inserting in lieu thereof "an accredited independent study program";

(B) in subsection (d)(1), by striking out "32, 35, or 36" in the third sentence and inserting in lieu thereof "32, or 35"; and

(C) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following new paragraph (2):

"(2) Paragraph (1) of this subsection does not apply with respect to the enrollment of a veteran—

"(A) in a course offered pursuant to section 3019, 3034(a)(3), 3234, 3241(a)(2), or 3533 of this title or section 2131(h) of title 10;

"(B) in a farm cooperative training course; or

"(C) in a course described in section 3689(b)(6) of this title.".

(3) SURVIVORS' AND DEPENDENTS' ASSISTANCE.—Section 3523(a)(4) of such title is amended by striking out "one" and inserting in lieu thereof "an accredited independent study program".

(c) CONFORMING AMENDMENTS.—

(1) TITLE 38.—(A) Section 3034 of title 38, United States Code, is amended—

(i) in subsection (a)(1), by striking out "3473,"; and

(ii) in subsection (d)(1), by striking out "3473(b)" and inserting in lieu thereof "3679A(b)".

(B) Section 3241 of such title is amended—

(i) in subsection (a)(1), by striking out "3473,";

(ii) in subsection (b)(1), by striking out "3473(b)" and inserting in lieu thereof "3679A(b)"; and

(iii) in subsection (c), by striking out "3473,".

(2) TITLE 10.—Section 2136 of title 10, United States Code, is amended—

(A) in subsection (b), by striking out "1673,"; and

(B) in subsection (c)(1), by striking out "1673(b)" and inserting in lieu thereof "3679A(b)".

(d) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 34 of title 38, United States Code, is amended by striking out the item relating to section 3473.

(2) The table of sections at the beginning of chapter 36 of such title is amended by inserting after the item relating to section 3679 the following new item:

"3679A. Disapproval of enrollment in certain courses.".

(e) SAVINGS PROVISION.—The amendments made by subsections (a) and (b) shall not apply to any person who is receiving educational assistance under chapter 30, 32, or 35 of title 38, United States Code, or chapter 106 of title 10, United States

Code, on the date of the enactment of this Act for pursuit of an independent study program—

(1) in which the person is enrolled on that date;

(2) in which the person remains continuously enrolled thereafter (until completion of the program by the person); and

(3) for which the person continues to meet the eligibility requirements for such assistance that apply to the person on that date.

SEC. 112. TREATMENT OF ADVANCE PAYMENTS OF CERTAIN ASSISTANCE TO VETERANS WHO DIE.

(a) TREATMENT.—Section 3680(e) of title 38, United States Code, is amended—

(1) by striking out "(e) If" and inserting in lieu thereof "(e)(1) Subject to paragraph (2), if"; and

(2) by adding at the end the following new paragraph:

"(2) Paragraph (1) shall not apply to the recovery of an overpayment of an educational allowance or subsistence allowance advance payment to an eligible veteran or eligible person who fails to enroll in or pursue a course of education for which the payment is made if such failure is due to the death of the veteran or person.".

(b) TECHNICAL AMENDMENT.—Section 3680(e) of such title (as amended by subsection (a)) is further amended by striking out "eligible person," and inserting in lieu thereof "eligible person".

SEC. 113. BAR OF ASSISTANCE FOR PERSONS WHOSE EDUCATION IS PAID FOR AS FEDERAL EMPLOYEE TRAINING.

Section 3681(a) of title 38, United States Code, is amended by striking out "and whose full salary" and all that follows through the period and inserting in lieu thereof a period.

SEC. 114. REVISIONS IN MEASUREMENT OF COURSES.

(a) ELIMINATION OF DISTINCTION BETWEEN ACCREDITED AND NON-ACCREDITED COURSE MEASUREMENT.—

(1) TRADE OR TECHNICAL COURSES INVOLVING SHOP PRACTICES.—Subsection (a)(1) of section 3688 of title 38, United States Code, is amended by striking out "thirty hours" and all that follows through "full time" and inserting in lieu thereof "22 hours per week of attendance (excluding supervised study) is required, with no more than 2½ hours per week of rest periods allowed".

(2) THEORETICAL COURSES NOT LEADING TO STANDARD COLLEGE DEGREES.—Subsection (a)(2) of such section is amended by striking out "twenty-five hours" and all that follows through "full time" and inserting in lieu thereof "18 hours per week net of instruction (which shall exclude supervised study but may include customary intervals not to exceed 10 minutes between hours of instruction) is required".

(b) TREATMENT OF CERTAIN COURSES OFFERED BY INSTITUTIONS OF HIGHER LEARNING.—

(1) COURSES LEADING TO A STANDARD COLLEGE DEGREE.—Subsection (a)(4) of such section is amended—

(A) by striking out "in residence"; and

(B) by inserting "(other than a course pursued as part of a program of education beyond the baccalaureate level)" after "semester-hour basis".

(2) COURSES NOT LEADING TO A STANDARD COLLEGE DEGREE.—Subsection (a)(7) of such section is amended to read as follows:

"(7) an institutional course not leading to a standard college degree offered by an institution of higher learning on a standard quarter- or semester-hour basis shall be measured as full time on the same basis as provided for in clause (4) of this subsection, except that such a course may not be measured as full time if the course requires less than the minimum weekly hours of attendance required for full-time measurement under clause (1) or (2) of this subsection, as the case may be.".

(c) MEASUREMENT OF REFRESHER COURSES.—Subsection (a)(6) of such section is amended by striking out "an institutional course" and all that follows through "of this title" and inserting in lieu thereof "an institutional course offered by an educational institution under section 3034(a)(3), 3241(a)(2), or 3533(a) of this title as part of a program of education not leading to a standard college degree".

(d) MEASUREMENT OF PART-TIME TRAINING.—Subsection (b) of such section is amended by striking out "34 or 35" and inserting in lieu thereof "30, 32, or 35".

(e) CONFORMING AMENDMENTS.—(1) Section 3688 of title 38, United States Code (as amended by subsections (a) through (d)), is further amended—

(A) in subsection (a), by striking out the flush material that follows paragraph (7); and

(B) by striking out subsections (c), (d), and (e).

(2) Section 3532(c) of such title is amended by striking out paragraphs (3) and (4).

(f) EFFECTIVE DATE.—The amendments made by subsections (a) through (e) shall take effect on September 1, 1993.

SEC. 115. CLARIFICATION OF PERMITTED CHANGES IN PROGRAMS OF EDUCATION.

Subsection (d) of section 3691 of title 38, United States Code, is amended to read as follows:

"(d) For the purposes of this section, the term 'change of program of education' shall not be deemed to include a change by a veteran or eligible person from the pursuit of one program to the pursuit of another program if—

"(1) the veteran or eligible person has successfully completed the former program;

"(2) the program leads to a vocational, educational, or professional objective in the same general field as the former program;

"(3) the former program is a prerequisite to, or generally required for, pursuit of the subsequent program; or

"(4) in the case of a change from the pursuit of a subsequent program to the pursuit of a former program, the veteran or eligible person resumes pursuit of the former program without loss of credit or standing in the former program.".

SEC. 116. AUTHORITY OF MEMBERS OF SELECTED RESERVE TO RECEIVE TUTORIAL ASSISTANCE.

Section 2131 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(h)(1)(A) Subject to subparagraph (B), the Secretary of Veterans Affairs shall approve individualized tutorial assistance for any person entitled to educational assistance under this chapter who—

"(i) is enrolled in and pursuing a postsecondary course of education on a half-time or more basis at an educational institution; and

"(ii) has a deficiency in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, the program of education.

"(B) The Secretary of Veterans Affairs shall not approve individualized tutorial assistance for a person pursuing a program of education under this paragraph unless such assistance is necessary for the person to successfully complete the program of education.

"(2)(A) Subject to subparagraph (B), the Secretary concerned, through the Secretary of Veterans Affairs, shall pay to a person receiving individualized tutorial assistance pursuant to paragraph (1) a tutorial assistance allowance. The amount of the allowance payable under this paragraph may not exceed $100 for any month, nor aggregate more than $1,200. The amount of the allowance paid under this paragraph shall be in addition to the amount of educational assistance allowance payable to a person under this chapter.

"(B) A tutorial assistance allowance may not be paid to a person under this paragraph until the educational institution at which the person is enrolled certifies that—

"(i) the individualized tutorial assistance is essential to correct a deficiency of the person in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

"(ii) the tutor chosen to perform such assistance is qualified to provide such assistance and is not the person's parent, spouse, child (whether or not married or over eighteen years of age), brother, or sister; and

"(iii) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

"(3)(A) A person's period of entitlement to educational assistance under this chapter shall be charged only with respect to the amount of tutorial assistance paid to the person under this subsection in excess of $600.

"(B) A person's period of entitlement to educational assistance under this chapter shall be charged at the rate of one month for each amount of assistance paid to the individual under this section in excess of $600 that is equal to the amount of the monthly educational assistance allowance which the person is otherwise eligible to receive for full-time pursuit of an institutional course under this chapter.".

SEC. 117. TECHNICAL AMENDMENTS.

(a) TITLE 10.—Chapter 106 of title 10, United States Code, is amended—

(1) in section 2131(c)(2), by striking out "section 1795" and inserting in lieu thereof "section 3695";

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(2) in section 2131(c)(3)(A)(ii), by striking out "section 1795" and inserting in lieu thereof "section 3695";

(3) in section 2131(c)(3)(C), by striking out "section 1795" and inserting in lieu thereof "section 3695";

(4) in section 2133(b)(2), by striking out "section 1431(f)" and inserting in lieu thereof "section 3031(f)";

(5) in section 2133(b)(3), by striking out "section 1431(d)" and inserting in lieu thereof "section 3031(d)"; and

(6) in section 2136(b) (as amended by section 111(c)(2))—

(A) by striking out "sections 1670," and all that follows through "and 1685" and inserting in lieu thereof "sections 3470, 3471, 3474, 3476, 3682(g), 3683, and 3685";

(B) by striking out "1780(c),"; and

(C) by striking out "1786(a), 1787, and 1792)" and inserting in lieu thereof "3686(a), 3687, and 3692)".

(b) TITLE 38.—Section 3679A of title 38, United States Code (as redesignated and amended by section 111(b)) is further amended in subsection (b) by striking out "The Secretary" and inserting in lieu thereof "Except as provided in this title or chapter 106 of title 10, the Secretary".

TITLE II—VOCATIONAL REHABILITATION AND PENSION PROGRAMS

SEC. 201. PERMANENT PROGRAMS OF VOCATIONAL REHABILITATION FOR CERTAIN SERVICE-DISABLED VETERANS.

(a) PERMANENT PROGRAM.—(1) Subsection (a)(1) of section 1163 of title 38, United States Code, is amended by striking out "during the program period" and inserting in lieu thereof "after January 31, 1985,".

(2) Subsection (a)(2) of such section is amended to read as follows:

"(2) For the purposes of this section, the term 'qualified veteran' means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.".

(b) COUNSELING SERVICES.—Subsection (b) of such section is amended by striking out "During the program period, the Secretary" and inserting in lieu thereof "The Secretary".

(c) NOTICE.—Subsection (c)(1) of such section is amended by striking out "during the program period" and all that follows through "(a)(2)(A)" and inserting in lieu thereof "after January 31, 1985, of a rating of total disability described in subsection (a)(2)".

(d) CONFORMING AMENDMENTS.—(1) The section head of such section is amended to read as follows:

"§ 1163. Trial work periods and vocational rehabilitation for certain veterans with total disability ratings".

(2) The table of sections at the beginning of chapter 11 of title 38, United States Code, is amended by striking out the item relating to section 1163 and inserting in lieu thereof the following:

"1163. Trial work periods and vocational rehabilitation for certain veterans with total disability ratings.".

SEC. 202. PERMANENT PROGRAM OF VOCATIONAL TRAINING FOR CERTAIN PENSION RECIPIENTS.

(a) PERMANENT PROGRAM.—Subsection (a) of section 1524 of title 38, United States Code, is amended to read as follows:

"(a)(1) A veteran who has been awarded pension under this chapter may submit to the Secretary an application for vocational training under this section.

"(2) Subject to paragraph (4) of this subsection, upon the submittal of an application by a veteran under paragraph (1) of this subsection, the Secretary shall—

"(A) make a preliminary finding (on the basis of information contained in the application or otherwise in the possession of the Secretary) whether the veteran has good potential for achieving employment after pursuing a vocational training program under this section; and

"(B) if the Secretary makes a preliminary finding that the veteran has such potential, provide the veteran with an evaluation to determine whether the veteran's achievement of a vocational goal is reasonably feasible.

"(3) An evaluation of a veteran under subparagraph (B) of paragraph (2) shall include a personal interview of the veteran carried out by a Department employee who is trained in vocational counseling (as determined by the Secretary) unless the Secretary determines that such an evaluation is not feasible or is not necessary to make the determination referred to in that subparagraph.".

(b) CONFORMING AMENDMENTS.—(1) Subsection (b)(4) of such section is amended by striking out "the later of (A)" and all that follows through the period at the end of the first sentence and by inserting in lieu thereof "the end of a reasonable period of time (as determined by the Secretary) following the evaluation of the veteran under subsection (a)(2)(B) of this section.".

(2)(A) The section head of such section is amended to read as follows:

"§ 1524. Vocational training for certain pension recipients".

(B) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by striking out the item relating to section 1524 and inserting in lieu thereof the following:

"1524. Vocational training for certain pension recipients.".

SEC. 203. PROTECTION OF HEALTH-CARE ELIGIBILITY FOR CERTAIN PENSION RECIPIENTS.

(a) PERMANENT PROTECTION.—Section 1525 of title 38, United States Code, is amended—

(1) in subsection (a), by striking out "during the program period" and inserting in lieu thereof "after January 31, 1985,"; and

(2) by striking out subsection (b) and inserting in lieu thereof the following:

"(b) For the purposes of this section, the term 'terminated by reason of income from work or training' means terminated as a result of the veteran's receipt of earnings from activity performed for renumeration or with gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.".

(b) CONFORMING AMENDMENTS.—(1) The section head of such section is amended to read as follows:

"§ 1525. Protection of health-care eligibility".

(2) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by striking out the item relating to section 1525 and inserting in lieu thereof the following:

"1525. Protection of health-care eligibility.".

SEC. 204. VOCATIONAL REHABILITATION FOR CERTAIN SERVICE-DISABLED VETERANS WITH SERIOUS EMPLOYMENT HANDICAPS.

(a) VOCATIONAL REHABILITATION.—Section 3102 of title 38, United States Code, is amended to read as follows:

"A person shall be entitled to a rehabilitation program under the terms and conditions of this chapter if—

"(1) the person is—

"(A)(i) a veteran who has a service-connected disability which is, or but for the receipt of retired pay would be, compensable at a rate of 20 percent or more under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

"(ii) hospitalized or receiving outpatient medical care, services, or treatment for a service-connected disability pending discharge from the active military, naval, or air service, and the Secretary determines that—

"(I) the hospital (or other medical facility) providing the hospitalization, care, services, or treatment is doing so under contract or agreement with the Secretary concerned, or is under the jurisdiction of the Secretary of Veterans Affairs or the Secretary concerned; and

"(II) the person is suffering from a disability which will likely be compensable at a rate of 20 percent or more under chapter 11 of this title; and

"(B) determined by the Secretary to be in need of rehabilitation because of an employment handicap; or

"(2) the person is a veteran who—

"(A) has a service-connected disability which is, or but for the receipt of retired pay would be, compensable at a rate of 10 percent under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; and

"(B) has a serious employment handicap.".

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(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993.

SEC. 205. INCREASE IN SUBSISTENCE ALLOWANCE FOR VETERANS RECEIVING VOCATIONAL OR REHABILITATIVE TRAINING.

(a) INCREASE.—Section 3108(b) of title 38, United States Code, is amended by striking out the table at the end and inserting in lieu thereof the following new table:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$366	$454	$535	$39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20
Farm cooperative, apprentice, or other on-job training:				
Full-time	320	387	446	29
Extended evaluation:				
Full-time	366	454	535	39
Independent living training:				
Full-time	366	454	535	39
Three-quarter-time	275	341	400	30
Half-time	184	228	268	20".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1993.

SEC. 206. TREATMENT OF CERTAIN APPLICATIONS FOR PENSION AND FOR DEPENDENCY AND INDEMNITY COMPENSATION.

Section 5306(b) of title 38, United States Code, is amended to read as follows:

"(b)(1) Renouncement of rights shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later date.

"(2) Except as provided in paragraph (3), a new application for pension, compensation, or dependency and indemnity compensation under this subsection shall be treated as an original application, and no payments shall be made for any period before the date such application is filed.

"(3) An application for dependency and indemnity compensation to parents payable under section 1315 of this title or for pension payable under chapter 15 of this title that is filed during the one-year period beginning on the date that a renouncement thereto was filed by the person pursuant to subsection (a) shall not be considered an original application, and payment of such benefits shall be made as if the renouncement had not occurred.".

SEC. 207. STYLISTIC AMENDMENT.

(a) IN GENERAL.—Section 5110(h) of title 38, United States Code, is amended by striking out "calendar".

(b) RULE OF CONSTRUCTION.—The purpose of subsection (a) is to make a nonsubstantive stylistic amendment that conforms the terminology used in section 5110(h) of title 38, United States Code, to that used in such title.

TITLE III—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES FOR VETERANS

SEC. 301. IMPROVEMENT OF DISABLED VETERANS' OUTREACH PROGRAM.

Section 4103A(a)(1) of title 38, United States Code, is amended in the first sentence by striking out "specialist for each 5,300 veterans" and all that follows through the end of the sentence and inserting in lieu thereof "specialist for each 6,900 veterans residing in such State who are either veterans of the Vietnam era, veterans who first entered on active duty as a member of the Armed Forces after May 7, 1975, or disabled veterans.".

SEC. 302. REPEAL OF DELIMITING DATE RELATING TO TREATMENT OF VETERANS OF THE VIETNAM ERA FOR EMPLOYMENT AND TRAINING PROGRAM PURPOSES.

Section 4211(2) of title 38, United States Code, is amended—

(1) in subparagraph (A), by striking out "(A) Subject to subparagraph (B) of this paragraph, the term" and inserting in lieu thereof "The term"; and

(2) by striking out subparagraph (B).

SEC. 303. AUTHORIZATION OF APPROPRIATIONS FOR CERTAIN EMPLOYMENT, JOB TRAINING, AND OTHER ASSISTANCE.

Section 1144(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "$4,000,000 for fiscal year 1991" and all that follows through the period and inserting in lieu thereof "$11,000,000 for fiscal year 1993 and $8,000,000 for each of fiscal years 1994 and 1995."; and

(2) in paragraph (2), by striking out "$1,000,000 for fiscal year 1991" and all that follows through the period and inserting in lieu thereof "$6,500,000 for each of fiscal years 1993, 1994, and 1995.".

TITLE IV—COST SAVINGS

SEC. 401. PERMANENT AUTHORITY FOR RECOVERY OF CERTAIN MEDICAL-CARE COSTS.

Section 1729(a)(2)(E) of title 38, United States Code, is amended by striking out "before October 1, 1993,".

SEC. 402. PERMANENT AUTHORITY TO CARRY OUT INCOME VERIFICATION.

(a) TITLE 38.—Section 5317 of title 38, United States Code, is amended by striking out subsection (g).

(b) INTERNAL REVENUE CODE OF 1986.—Section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 is amended by striking out the second sentence of the flush material.

SEC. 403. REDUCTION IN PENSION FOR VETERANS AND VETERANS' SURVIVORS WHO ARE RECEIVING MEDICAID-COVERED NURSING HOME CARE.

(a) REDUCTION IN PENSION.—Paragraph (2) of section 5503(f) of title 38, United States Code, is amended to read as follows:

"(2)(A) Not more than $90 per month may be paid under chapter 15 of this title to or for any person described in subparagraph (B) for any period that a nursing facility furnishes such person with services covered by a Medicaid plan. The restriction in the preceding sentence applies to periods after the month of the person's admission to the nursing facility.

"(B) A person referred to in subparagraph (A) is a person—

"(i) who is covered by a Medicaid plan for services furnished such person by a nursing facility; and

"(ii) who is (I) a veteran who has neither spouse nor child, or (II) a surviving spouse who has no child.".

(b) CONFORMING AMENDMENTS.—Section 5503(f) of such title is amended—

(1) in paragraph (3)—

(A) by striking out "a veteran" and inserting in lieu thereof "a person referred to in paragraph (2)(A)"; and

(B) by striking out "such veteran under paragraph (2) of this subsection" and inserting in lieu thereof "such person under such paragraph"; and

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(2) in paragraph (4)—

(A) by striking out "A veteran" and inserting in lieu thereof "A person referred to in paragraph (2)(A)";

(B) by striking out "the veteran" both places it appears and inserting in lieu thereof "the person"; and

(C) by striking out "the veteran's" and inserting in lieu thereof "the person's".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on July 1, 1992, and apply with respect to months after June 1992.

(d) DELETION OF EXPIRATION DATE.—Section 5503(f) of such title is amended by striking out paragraph (6).

INTRODUCTION

On April 30, 1992, S. 2647, the proposed "Veterans' Readjustment Benefits Improvement Act of 1992," was introduced by the Chairman of the Committee, Senator Alan Cranston, and cosponsored by Committee Members Dennis DeConcini and Daniel K. Akaka. As introduced, S. 2647 would have revised and improved educational assistance programs for veterans and members of the Armed Forces, improved certain vocational assistance programs for veterans, and made certain additional improvements in veterans' readjustment benefits.

On May 13, 1992, the Committee held a hearing, chaired by Senator DeConcini, to receive testimony on legislation relating to education and employment, including S. 2647. Testimony on this bill was received from Department of Veterans Affairs Chief Benefits Director D'Wayne Gray, and representatives of The American Legion, AMVETS, the Disabled American Veterans, the Paralyzed Veterans of America, and the Veterans of Foreign Wars. Testimony was also submitted for the record of the hearing by Assistant Secretary of Defense for Force Management and Personnel Christopher Jehn, the Association of the United States Army, the Enlisted Association of the National Guard of the United States, the National Association of State Approving Agencies, the National Association of Veterans Program Administrators, the National Guard Association of the United States, the Non Commissioned Officers Association of the United States of America, and the Reserve Officers Association of the United States.

COMMITTEE MEETING

After carefully reviewing the testimony from the foregoing hearing, the Committee met in open session on June 24, 1992, and voted by unanimous voice vote to report S. 2647 with an amendment in the nature of a substitute that includes provisions derived from S. 2647, as introduced by Senator Cranston on April 30, 1992, and cosponsored by Senators DeConcini and Akaka; S. 1095, the proposed "Uniform Services Employment and Reemployment Rights Act of 1991", as reported by the Committee on November 7, 1991 (Senate Report 102-203); S. 1516, the proposed "Veterans' Benefits Reform Act of 1991", as introduced by Senator Cranston by request of the Administration on July 22, 1991; S. 1519, the proposed "Veterans' Educational Assistance Improvements Act of 1991", as introduced by Senator Cranston by request of the Administration on July 22, 1991; S. 2640, the proposed "Veterans' Educational Assistance Improvements Act of 1992", as introduced by Senator Cranston by re-

quest of the Administration on April 30, 1992; and legislative proposals in VA's "Final Report on Veterans' Education Policy" as recommended by the Commission to Assess Veterans' Education Policy.

SUMMARY OF S. 2647 AS REPORTED

S. 2647 as reported (hereinafter referred to as the "Committee bill") contains amendments to title 38 and title 10, United States Code that would improve educational assistance for veterans and active-duty personnel, improve vocational rehabilitation for veterans, make additional improvements in veterans' readjustment benefits, and provide for the cost savings to offset the direct-spending costs in this measure and other legislation that the Committee will propose. The Committee bill would:

1. Provide that, effective September 1, 1993, Montgomery GI Bill (MGIB) educational benefits would be increased by $50 per month above the amount otherwise payable for full-time participants in the active-duty program, by $40 per month for those who are obligated for two years of active duty, and by $25 per month for full-time participants in the Selected Reserve program, with proportionately reduced amounts for part-time study. (Section 101.)

2. Permit an individual who, after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or upon completion of a senior reserve officer training corps program to participate in the MGIB. (Section 102.)

3. Provide, effective October 1, 1993, that (a) individuals who are discharged or released after less than 12 months of active duty and later reenlist or re-enter on active duty are eligible to resume participation in the MGIB as if they had served a continuous period of active duty; and (b) any reductions in basic pay during a prior period of service would be counted toward the $1,200 pay reduction required by MGIB eligibility. (Section 103.)

4. Provide that a period during which an MGIB participant is assigned full time by the Armed Forces to a civilian institution for a course of education would not be considered a break in the continuity of the individual's active-duty service for purposes of MGIB eligibility. (Section 104.)

5. Provide that, effective September 1, 1992, an individual who serves an initial continuous period of at least three years of active-duty service, even though he or she was initially obligated to serve only two years of active duty, is eligible for the same level of MGIB benefits as one whose initial obligated period of active-duty service was for three years or more. (Section 105.)

6. Make individuals who enrolled as MGIB participants during the "open period" between December 1, 1988, and June 30, 1989, entitled to educational assistance (as are other MGIB participants) when separated early from the service due to certain physical or mental conditions that interfere with their performance of duty. (Section 106.)

7. Effective October 1, 1993, permit active-duty participants in the MGIB to receive benefits at the same rate as veterans. (Section 107.)

8. For the remainder of the current temporary program under which veterans may use VA educational benefits for flight training, authorize the use of benefits for solo flying hours up to the minimum required by the Federal Aviation Administration for the rating or certification based on such hours. (Section 108.)

9. Limit advance payments to work-study participants to the first 50 hours of each work-study contract. (Section 109.)

10. Modify the requirements for the approval of an accredited school by a State approving agency (SAA) for purposes of VA programs of educational assistance by (a) repealing the requirement that an elementary or secondary school furnish a copy of a catalog in applying for approval of an accredited course; and (b) adding a requirement that schools that have an enforce standards of attendance submit these standards to the SAA for approval. (Section 110.)

11. Prohibit the use of benefits for non-accredited independent study. (Section 111.)

12. Provide that the effective date of termination of an educational assistance allowance by reason of the death of the payee of an advance payment is the last date of the period for which the advance payment was made. (Section 112.)

13. Bar payment of VA educational assistance for a course paid for under the Government Employees Training Act. (Section 113.)

14. Effective September 1, 1993, replace the statutory measurement system used in evaluating courses at educational institutions for the payment of VA education benefits with the institutions' measurement system. (Section 114.)

15. Provide that the limitations on changes of programs by students using VA educational assistance do not apply to (a) a student beginning a new program of education after successfully completing another program, (b) a student not changing his or her vocational objective, and (c) a student transferring back to a former program without loss of credit for that program. (Section 115.)

16. Permit reservists to receive tutorial assistance under the MGIB. (Section 116.)

17. Make permanent the programs of 12-month trial-work periods and vocational rehabilitation outreach for veterans who have total disability ratings based on individual unemployability. (Section 201.)

18. Make permanent and totally voluntary the program of vocational evaluation and training for VA pension recipients. (Section 202.)

19. Maintain the 3-year protection of VA health-care eligibility for veteran pension recipients participating in a program of vocational training who lose their pension due to employment income. (Section 203.)

20. Effective October 1, 1993, provide a veteran who has a 10-percent service-connected disability and a serious employment handicap with an entitlement to a VA rehabilitation program. (Section 204.)

21. Increase by 10 percent, effective October 1, 1993, the subsistence allowance paid to veterans participating in the VA program of rehabilitation under chapter 31 of title 38 for veterans with service-connected disabilities. (Section 205.)

22. Provide that, where a new application for pension or parents' dependency and indemnity compensation is filed within one year after a renouncement of rights to these benefits has been filed, the application would not be treated as an original application and benefits would be payable as if the renouncement had not occurred. (Section 206.)

23. Expand the formula for the appointment of disabled veterans' outreach program specialists to include, in addition to Vietnam-era veterans and disabled veterans, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975). (Section 301.)

24. Repeal the limitation on the term "veteran of the Vietnam era" that provided that no veteran may be considered to be a veteran of the Vietnam era for purposes of chapters 41 and 42 of title 38 (veterans employment and job-training matters) after December 31, 1994. (Section 302.)

25. Authorize an increase in the FY 1993 appropriation for the transition assistance program and would extend the authorization for the TAP appropriation by two years—through FY 1995—as follows: $11 million for FY 1993 and $8 million for each of FYs 1994 and 1995 for the DoL, and $6.5 million for each of FYs 1993–1995 for VA. (Section 303.)

26. Provide for offsetting the direct-spending costs of the Committee bill by (a) repealing the October 1, 1993, expiration date of the legislation authorizing the collection of third-party reimbursements for the non-service-connected care furnished by VA to service-disabled veterans (Section 401); (b) repealing the September 30, 1992, expiration date of the legislation that allows VA to use certain Social Security Administration and Internal Revenue Service data to verify the incomes of those who apply for or receive VA needs-based pension (Section 402); (c) repealing the September 30, 1992, expiration date of legislation that limits pension payments to $90 a month for Medicaid-eligible veterans receiving VA needs-based pension who have no dependents and who are in nursing homes participating in Medicaid (Section 403); and (d) expanding that legislation, effective July 1, 1992, to cover similarly situated veterans' survivors who are receiving VA pension. (Section 403.)

DISCUSSION

TITLE I—EDUCATIONAL ASSISTANCE PROGRAMS

Increase in Amount of Montgomery GI Bill Basic Educational Assistance

Section 101 of the Committee bill would increase, effective September 1, 1993, the Montgomery GI Bill (MGIB) educational benefits by $50 per month above the amount otherwise payable for full-time participants in the active-duty program, by $40 per month for those who are obligated for two years of active duty, and by $25 per month above the amount otherwise payable for full-time participants in the Selected Reserve program, with proportionately reduced amounts for part-time study.

Background

Currently, under section 3015(f) of title 38, the MGIB educational benefit is $350 per month for full-time active-duty participants and $275 per month for those whose initial obligated period of active duty is two years, and under section 2131(b)(2) of title 10, the benefit is $170 per month for full-time participants in the Selected Reserve program, with proportionally reduced amounts for part-time study. For fiscal year 1994, the Secretary of Veterans Affairs is authorized to (a) continue these rates, (b) continue these rates and provide for a cost-of-living adjustment (COLA) increase, or (c) allow the monthly rates to revert to the original payment rates of $300 per month for full-time active-duty participants, $250 per month for those who are obligated for two years, and $140 per month for full-time participants in the Selected Reserve program. With respect to any fiscal year beginning on or after October 1, 1994, the Secretary is authorized to (a) continue to pay the monthly rates for the previous fiscal year, (b) provide a COLA for any fiscal year, or (c) allow the monthly rates to revert to the original payment rates.

Since the original MGIB payment rates were established in 1984, inflation as measured by the Consumer Price Index has been 31 percent and the cost of education at a four-year college has increased by 42.5 percent. Last year's 16.7-percent increase in MGIB benefits, enacted in section 337 of the Persian Gulf War Veterans' Benefits Act of 1991 (title III C of Public Law 102-25), marked the only rate increase in the program's history. It fell far short of the increase in the cost of education since 1984 mainly because of the special nature of the funding of the legislation.

S. 2647 as introduced would have increased the basic educational assistance rates to $450 per month for full-time participants in the active-duty program, $375 per month for those whose initial period of obligated service is two years on active duty, between $550 and $850 per month for those on active duty with a skill or specialty in which there is a critical shortage of personnel, and $200 per month for full-time participants in the Selected Reserve, with proportionately reduced amounts for part-time participation. Increases to these levels of assistance would have adequately provided for the higher costs of education since the program's enactment. However, in order to comply with the constraints of the "pay-as-you-go" requirement enacted in the Omnibus Budget Reconciliation Act of 1990 (Public Law 101-508), the Committee reduced the assistance rates to the levels in the bill as reported.

Committee bill

The Committee bill would add a new subsection (g) to section 3015 of title 38 to provide that, notwithstanding the level of educational assistance determined by the Secretary for a fiscal year, the monthly rates payable would be the rates that the Secretary decides to pay plus $50 per month for full-time active-duty participants and $40 per month for full-time participants whose initial obligated period of active duty is two years. The bill would also add a new paragraph (3) to subsection 2131(b) of title 10 to provide a similar payment scheme for members of the Selected Reserve, adding $25 to the rate the Secretary decides upon in the case of full-time

pursuit of a program of education. In both the active-duty and Selected Reserve programs, there would be proportionally reduced amounts for part-time study, and for both programs the effective date would be September 1, 1993.

To illustrate how the bill would work, full-time participants in the active-duty program currently receive $350 per month through September 1993. Beginning on September 1, 1993, for education and training pursued in September 1993, the educational assistance rate would increase by $50, to $400 per month. Thereafter, if the Secretary maintained the $350 monthly rate, the amount payable would be $350 plus $50, or $400 per month. If the Secretary elected to maintain the $350 level and provide a COLA, the amount payable would be $400 plus the amount of the COLA. If the Secretary allowed the rate to return to its original level of $300 per month, the amount payable would be $300 plus $50, or $350 per month.

Cost: CBO estimates that the enactment of section 101 would entail costs of $6 million in both budget authority (BA) and outlays in FY 1993 and total costs of $456 million in both BA and outlays over the next five years.

Eligibility of Certain Officers for Educational Assistance

Section 102 of the Committee bill, which is substantively identical to section 115 of S. 2647 as introduced, would provide MGIB eligibility to an individual who, after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or completion of an educational program with the assistance of a senior reserve officer training corps (ROTC) scholarship (under section 2107 of title 10, United States Code).

Currently, under section 3011(c)(2) of title 38, an officer who receives a commission in the Armed Forces upon graduation from the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the Coast Guard Academy or upon completion of an educational program with ROTC assistance is not eligible to participate in the MGIB for the pursuit of additional courses of study, such as graduate school. Graduates of other educational programs who enter military service as commissioned officers are eligible.

Section 102 would achieve parity for graduates of military academies and those who complete an educational program with ROTC assistance by permitting those who receive their commission after September 30, 1992, to participate in the MGIB.

Since very few academy or ROTC graduates have prior active-duty service before receiving their commission, most academy graduates would undergo the $1,200 basic-pay reductions necessary for participation when they enter active duty as commissioned officers.

The need for this legislation came to the Committee's attention earlier this year when it heard from a number of individuals who will become ineligible for MGIB benefits upon their graduation from an academy, as the current law requires, despite their having undergone the $1,200 reductions from their basic pay during active duty that preceded their entering an academy.

Section 102 of the Committee bill would maintain the current law principle of not allowing a refund of amounts contributed in order to be eligible for participation in the MGIB but would provide that these individuals would be able to make use of the MGIB program to which they had previously contributed $1,200.

Cost: CBO estimates that the enactment of section 102 would result in savings of $1 million in both BA and outlays in FYs 1993 to 1995, and entail costs of $1 million and $4 million in both BA and outlays in FY 1996 and FY 1997, respectively.

Treatment of Certain Active-Duty Service Toward Eligibility for Educational Assistance

Section 103 of the Committee bill, which is similar to section 104 of S. 2647 as introduced, would allow individuals who are discharged or released after less than 12 months of active duty by reason of disability, hardship, or reduction-in-force (as specified in subclauses (I) and (III) of section 3011(a)(1)(A)(ii), title 38) and who later reenlist or reenter on active duty to resume participation in the MGIB program as if they had served a continuous period of active duty. Any reductions in basic pay during a prior period of service would be counted toward the $1,200 pay reduction required for MGIB eligibility.

Currently, under section 3011 of title 38, servicemembers earn MGIB entitlement only if they undergo prescribed payroll deductions of $100 per month for 12 months at the outset of their *initial* obligated period of active duty. Servicemembers who are discharged or released due to hardship, disability, or reduction-in-force prior to the completion of 12 months of payroll deductions are eligible to receive one month of educational assistance for each month of continuous service. If such an individual reenlists or reenters active duty, he or she is not eligible to reenter the MGIB program and continue his or her contributions. Thus, the servicemember loses the opportunity, through no fault of his or her own, to earn the full 36 months of MGIB benefits and is ineligible to be refunded the money contributed during the initial enlistment.

Section 103 of the Committee bill would treat the period of service commencing with the reenlistment or reentry of a servicemember discharged or released prior to 12-months by reason of disability, hardship, or reduction-in-force, as though it were a continuation of the initial period of service, thus giving the servicemember the opportunity to continue his or her contributions and increase his or her benefit eligibility. Any contributions to the MGIB program made prior to discharge or release would be credited toward the servicemembers' educational program upon reenlistment or reentry. The section would be effective with respect to service and contributions on or after June 30, 1985 (the effective date of MGIB), but would apply to payment of assistance for education and training pursued on or after October 1, 1993.

Cost: CBO estimates that the enactment of section 103 would entail no costs in both BA and outlays in FY 1993 and total costs of $6 million in both BA and outlays in FYs 1993–1997.

Treatment of Certain Assignments of Individuals for Purposes of Eligibility Under Montgomery GI Bill Program

Section 104 of the Committee bill, which is derived from section 5 of S. 2640, would provide that a period during which an MGIB participant is assigned full-time by the Armed Forces to a civilian institution for a course of education would not be considered a break in the continuity of the individual's active-duty service for purposes of MGIB eligibility.

Under section 3011 of title 38, the current eligibility criteria for MGIB educational assistance require a servicemember's initial obligated period of active duty to serve at least three years of continuous active duty or, in the case of an individual whose initial period of obligated active duty is less than three years, at least two years of continuous active duty. A break in the initial period of service disqualifies a participant from receiving the full amount of educational assistance under the MGIB program. The term "active duty," as defined in section 3002(6)(A) of title 38, expressly excludes any period during which a servicemember was assigned full time by the Armed Forces to a civilian institution for a course of education. Therefore, if a servicemember, who has contributed to the MGIB program but who has served less than the required period of initial active-duty service, elects to become a full-time student while continuing on active duty, he or she is not eligible for MGIB benefits due to the definition of "active duty" under chapter 30 of title 38.

Section 104 of the Committee bill would add a new subsection (f) to section 3011 of title 38 that would provide that a period during which a servicemember is assigned full time by the Armed Forces to a civilian institution for a course of education described in section 3002(6)(A) of title 38 would not be considered a break in a continuous period of active duty of the servicemember for purposes of the MGIB program. Section 104 would take effect on October 19, 1984, the date Public Law 98-525 creating the MGIB was enacted.

Cost: CBO estimates that the enactment of section 106 would entail no significant cost.

Educational Assistance for Certain Persons Whose Initial Period of Obligated Service Was Less Than Three Years

Section 105 of the Committee bill—which is similar to section 106 of S. 2647 as introduced, which in turn was derived from section 5 of S. 1519—would provide that, effective September 1, 1993, a person is entitled to full MGIB benefits, even though his or her initial obligated period of active duty is less than three years, if he or she serves a continuous period of at least three years and is otherwise eligible.

Currently, chapter 30 of title 38 provides that active-duty servicemembers who serve as their initial obligated period of active duty at least three years of continuous active duty are entitled to the full rate of educational assistance under the MGIB. Servicemembers whose initial obligated period of active duty is two years are paid at a reduced rate. If a servicemember whose initial obligated period of active duty is two years reenlists, without a break in service, for an additional year of more, he or she is currently

denied the full educational benefits offered to servicemembers whose initial obligated period of active duty is for three or more continuous years.

Section 105 of the Committee bill would grant full MGIB benefits to participants who serve their initial obligated period of two years but continue on active duty for an additional year or more without a break in service—thereby giving equal benefits for equal periods of service.

Cost: CBO estimates that the enactment of section 105 would entail costs of $1 million in both BA and outlays in FY 1993 and total costs of $21 million in both BA and outlays in FYs 1993–1997.

Clarification of Opportunity to Withdraw Election Not to Enroll in Montgomery GI Bill Program

Section 106 of the Committee bill, which is derived from section 6 of S. 2640, would enable individuals who enrolled in the MGIB active-duty program under chapter 30 of title 38 during the "open period" between December 1, 1988, and June 30, 1989, to become entitled to educational assistance when separated early from the service due to certain physical or mental conditions that interfered with their performance of duty.

Section 3011(c)(1) of title 38 provides that a servicemember who, at the time he or she initially enters on active duty makes an election not to receive educational assistance under the MGIB, is not entitled to MGIB benefits. As an exception to that rule, section 3018 of title 38 established the period between December 1, 1988, and June 30, 1989, as an "open period" during which certain servicemembers had the opportunity to withdraw an election not to receive educational assistance under the MGIB program and thereby become participants in the program. Section 3018 outlined specific eligibility criteria for servicemembers using the open period, but did not provide, for those who did become MGIB participants, exceptions to MGIB length-of-service requirements for those who are separated early from service due to a physical or mental condition that was not characterized as a disability and did not result from the person's own willful misconduct but did interfere with the person's performance of duty. Section 562(a) of Public Law 101-510, the National Defense Authorization Act for Fiscal Year 1991, amended section 3011 of title 38 to provide that generally chapter 30 MGIB participants in this situation are eligible for educational benefits, but did not include those who became MGIB participants during the open period.

Section 106 of the Committee bill, would correct this oversight and take effect on October 19, 1984, the date the MGIB was enacted.

Cost: CBO estimates that the enactment of section 106 would entail no significant cost.

Educational Assistance Rates for Certain Active-Duty Members

Section 107 of the Committee bill, which is similar to section 105 of S. 2647 as introduced, would permit, effective October 1, 1993, active-duty participants in the MGIB to receive educational benefits at the same rate as veterans.

Currently, under section 3032 of title 38, servicemembers who pursue a program of education while on active duty receive MGIB allowances in the amount of either the full allowance payable to a participant under chapter 30 or the cost of tuition and fees of their educational program, whichever is less. Most frequently, the cost of tuition and fees is the lesser of the two amounts. Thus, MGIB participants who are on active duty receive a benefit less than their veteran counterparts who receive the full amount allowable under the program. All participants in the MGIB program under chapter 30 of title 38 contribute $1,200.

Section 107 of the Committee bill would provide active-duty MGIB participants with benefits equal to the benefits that veterans receive.

Cost: CBO estimates that the enactment of section 107 would entail no costs in both BA and outlays in FY 1993 and total costs of $50 million in both BA and outlays in FYs 1993-1997.

Use of Educational Assistance for Solo Flight Training

Section 108 of the Committee bill, which is identical to section 8 of S. 1095 as reported by the Committee on November 7, 1991 (Senate Report No. 102-203), would, for the remainder of the current temporary program under which veterans may use VA educational assistance for flight training, authorize the use of benefits for solo flying hours. The number of solo hours for which benefits could be used would be limited to the minimum required by the Federal Aviation Administration for the rating or certification being sought.

Under section 422 of Public Law 101-237 and section 7 of Public Law 102-16, veterans participating in the educational assistance programs under chapters 30 (MGIB) or 32 (Post-Vietnam Era Veterans Educational Assistance program) of title 38 may use VA benefits for flight training during fiscal years 1991 through 1994 if (1) the training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation; (2) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial license; and (3) the flight school courses meet FAA standards and are approved by the State approving agency.

The educational assistance allowance is paid in the amount equal to 60 percent of the established charges for tuition and fees—other than tuition and fees charged for or attributable to solo flying hours—which similarly-circumstanced nonveterans enrolled in the same flight course are required to pay. The exclusion of solo hours resulted from concerns that students studying under the Vietnam-era GI bill had used their benefits for solo hours for recreational rather than vocational purposes.

The Committee believes that the current flight training program contains safeguards to prevent such abuse. For example, the veteran now must pay 40 percent of the charges rather than the 10 percent that Vietnam-era veterans paid.

Pilots must obtain at least 30 hours of solo flying, at a cost of $50 to $75 an hour, to receive a commercial license. The Committee is concerned that the exclusion of solo hours from the flight training

program could make the attainment of a commercial pilot's license very difficult for some individuals. Thus, within the limits noted above, section 108 of the Committee bill would authorize the use of VA educational benefits for 60 percent of the charges for solo flight training by individuals who fulfill the eligibility and other requirements for the use of benefits under these programs for flight training.

Cost: CBO estimates that the enactment of section 108 would entail costs of $1 miliion in both BA and outlays each year in FYs 1993 and 1994.

Limitation on Amount of Advance Payment of Work-Study Allowance

Section 109 of the Committee bill—which is derived from section 107 of S. 2647 as introduced, which in turn was derived from section 6 of S. 1519—would limit advance payments by VA to work-study participants to the first 50 hours of each work-study contract.

Currently, section 3485(a)(1) of title 38 requires that 40 percent of the total amount agreed to be paid to work-study particpant under the work-study contract must be paid in advance of the performance of any service. The remaining allowance is paid after the services are performed.

Based on a recommendation from the Administration (in section 6 of S. 1519), section 107 of S. 2647 as introduced would have repealed the advance-payment provision. The Administration stated that the elimination of advance payment would virtually eliminate accounts receivable in VA's work-study program and greatly simplify program administration.

At the Committee's May 13 hearing, several veterans' organizations voiced their opposition to section 107 of S. 2647 as introduced. For example, the Veterans of Foreign Wars testified that they "strongly believe these few advanced dollars often make a big difference if received early in the academic semester to the quality of life enjoyed by those participating veterans." As a compromise, the National Association of Veterans Program Administrators recommended "that work-study students be allowed an advance payment for the first 50 hours of their work-study contract in order to help defray expenses incurred at the beginning of a term."

Section 109 of the Committee bill, by authorizing an advance payment of no more than 50 hours of the work-study contract, limit VA's current exposure to overpayment while continuing to provide students with a lump-sum payment with which to begin each semester.

Cost: CBO estimates that the enactment of section 109 would result in no significant savings.

Revision of Requirements Relating to Approval of Accredited Courses

Section 110 of the Committee bill—which is identical to section 108 of S. 2647 as introduced, which in turn was derived from section 7 of S. 1519—would modify the requirements for the approval of an accredited school by a State approval agency (SAA) for purposes of VA programs of educational assistance by (a) repealing the

requirement that an elementary or secondary school furnish a copy of a catalog in applying for approval of an accredited course, and (b) adding a requirement that schools that have and enforce standards of attendance submit these standards to the SAA for approval.

Currently, under section 3675 of title 38, an educational institution must submit an application for approval of courses to the appropriate SAA. In making application for approval, the institution must transmit to the SAA copies of its catalog or bulletin. However, elementary and secondary schools frequently do not publish catalogs and, as a result, their courses are currently denied SAA approval.

Section 110 of the Committee bill would rewrite section 3675 of title 38 to exclude elementary schools or secondary schools and thereby eliminate the burden of producing a catalog for SAA course approval on schools that ordinarily would not otherwise do so.

Currently, sections 3474 and 3524 of title 38, as amended by section 412 of Public Law 101-237, the Veterans' Benefits Amendments of 1989, require that educational benefits be terminated for any recipient who fails to comply with the attendance standards of his or her school, if such standards exist. However, section 3675 of title 38 does not require schools that have and enforce standards of attendance to include these standards in their application for course approval.

Section 110 of the Committee bill would amend section 3675(3)(B) to provide that each catalog or bulletin transmitted to the SAA by an educational institution must include, along with other material required under current law, any attendance standards of the institution, if the institution has and enforces those standards. This provision does not mandate schools which do not have attendance standards to adopt them for course-approval purposes.

Cost: CBO estimates that the enactment of section 110 would entail no significant cost.

Disapproval of Nonaccredited Independent Study

Section 111 of the Committee bill—which is identical to section 112 of S. 2647 as introduced, which in turn was derived from item 5 of the legislative proposals in VA's "Final Report on Veterans' Education Policy" (FRVEP)—would prohibit the use of VA educational benefits for nonaccredited independent study.

Section 320 of Public Law 99-576, the Veterans' Benefits Improvement and Health-Care Authorization Act of 1986, enacted on October 28, 1986, established a Commission to Assess Veterans' Education Policy (hereafter referred to as "the Commission"), which was charged with reviewing the administration of VA educational assistance programs. The Commission's first report was submitted to Congress on August 29, 1988 (S. Prt. 100-125). After considering the Commission's initial report, VA submitted an interim report to Congress dated February 28, 1989, which was followed by a final Commission report on July 27, 1989. VA submitted the FRVEP, dated August 29, 1990, on October 24, 1991. The Committee bill adopts most of VA's legislative proposals in the FRVEP.

Currently, under section 3676 of title 38, educational assistance may be granted to a veteran for enrollment in nonaccredited courses, including independent study, provided that certain conditions outlined in that section are met. Due to the unique nature of nonaccredited independent study, VA and the education community are frequently at odds in categorizing such courses. The Commission, VA, and the Committee hope to simplify the current course measurement procedures for payment purposes and believe that disapproval of nonaccredited independent study would contribute to that end.

Section 111 of the Committee bill would add a new subsection (e) and conforming amendments to section 3676 to prohibit the approval of a nonaccredited course of education if it is pursued, in whole or in part, by independent study.

In order to clarify the applicability of section 3473 (relating to the disapproval of enrollment in certain courses), the Committee bill would transfer that section from chapter 34, which deals with the Vietnam-era GI Bill, to chapter 36, which deals with the administration of educational benefits, and redesignate it as section 3679A.

Subsection (a)(4) of section 3679A (currently section 3473) and section 3523(a)(4) (relating to survivors' and dependents' educational assistance) are also amended to provide that the Secretary could not approve the enrollment of an eligible person in any independent study program except in an accredited independent study program leading to a standard college degree.

The Committee bill also contains a savings provision, under which participants who are receiving educational assistance on the date of enactment for pursuit of independent study programs would maintain their eligibility for benefits until their programs are completed. Future applications for nonaccredited independent study would be denied. Disapproval of nonaccredited independent study would eliminate the need for standard class sessions and distinctions between courses based on the mode of delivery.

Cost: CBO estimates that the enactment of section 111 would result in no savings.

Treatment of Advance Payments of Certain Assistance to Veterans Who Die

Section 112 of the Committee bill—which is similar to section 110 of S. 2647 as introduced, which in turn was derived from item one of the legislative proposals in the FRVEP—would make inapplicable to deceased individuals the requirement in section 3680(e) for the recovery of educational benefits that were provided for a course of education that the individual failed to enroll in or pursue.

Under current law, when a veteran or eligible person entitled to educational benefits dies, benefits are discontinued effective the last day of attendance. (38 CFR 21.4135(a); 38 USC 5113(a)). Thus, under section 3680(e), any advance payment made toward a student's education covering a time period after the death of the student is considered an overpayment by VA and constitutes a liability to the student's estate. In reality, most advance-payment funds are immediately used to cover the initial costs of enrollment, such

as tuition, fees, books, supplies, and the like, and are no longer available to the student or his or her survivors. Requesting a return of a portion of the advance payment is an unpleasant administrative burden on VA and results in a disheartening task for the student's survivors.

Section 112 of the Committee bill would amend section 3680(e) to clear the student's account of any liability for overpayment where the reason for the failure to enroll in or pursue the course involved was the student's death.

Cost: CBO estimates that the enactment of section 112 would entail no significant cost.

Bar of Assistance for Persons Whose Education Is Paid for as Federal Employee Training

Section 113 of the Committee bill—which is identical to section 109 of S. 2647 as introduced, which in turn was derived from section 8 of S. 1519—would bar the payment of veterans' educational assistance for a course paid for under the Government Employees Training Act (GETA), thus preventing the duplication of government educational assistance.

Currently, section 3681(a)(2) of title 38 provides that no educational allowance granted under chapter 30, 34, 35, or 36 of title 38 or chapter 106 or 107 of title 10, or subsistence allowance granted under chapter 31 of title 38 will be paid to an eligible veteran whose course of education or training is paid for under GETA and whose full salary is being paid while so training.

VA General Counsel opinion (O.G.C. Precedent 72-91) dated November 26, 1991, construed section 3681(a)(2) as permitting payment of VA educational assistance to a veteran or other eligible person training under the GETA if the training were received during periods of the day other than those for which the person's salary is paid.

Section 113 of the Committee bill, by repealing the phrase in section 3681(a)(2) relating to payment of salary, would clarify that payment of VA education benefits to a person pursuing a course of education also paid for under GETA constitutes a duplication of benefits. This would remove any doubt that the provision precludes payment made for hours of training that are outside the daily work hours for which a person receives a full Federal salary.

Cost: CBO estimates that the enactment of section 113 would result in no significant savings.

Revisions in Measurement of Courses

Section 114 of the Committee bill—which is similar to section 113 of S. 2647 as introduced, which in turn was derived from items 6-9 in the FRVEP—would, in effect, replace, effective September 1, 1993, the statutory measurement system used for evaluating courses at educational institutions for the payment of VA education benefits with the institutions' measurement systems.

Currently, under section 3688 of title 38, the system of measuring and valuing courses of education for the purpose of benefit payments is very complex. Some programs provide for five different payment levels. For nondegree training at a vocational school,

there is a distinction between accredited and nonaccredited facilities, and between shop practice and classroom training. Maximum rest periods and supervised study periods are defined. Nondegree training at colleges is measured in three different ways—credit-hour measurement, clock-hour measurement, and a combination of credit hours and clock hours, known as "mixed" measurement. There is a distinction between courses taken in residence and courses taken by independent study or open circuit television. Some courses are considered to be a combination of resident training and independent study. Payment for independent study and open circuit television courses are reduced in some instances. As VA noted in the FRVEP, for some participants, the rate of payment can change each week because of changes in the student's scheduled classroom training.

VA believes that the current system of course measurement and valuation is overly complex and subject to abuse, resulting in both overpayments and underpayments. On page 43 of the FRVEP, VA stated, "Ascertaining the value of classroom experience should be left to the schools. VA should stop counting the number of minutes of scheduled class time each week and pay benefits based on the generally recognized unit measurement which is credit hours." The Committee agrees.

In order to accomplish this, subsection (a) of section 114 of the Committee bill would eliminate the benefit differential for accredited and non-accredited noncollege-degree (NCD) courses; subsection (b) would base benefit payments for concurrent pursuit of graduate and undergraduate training on the training time certified by the school, rather than on the current conversion computations; subsections (c) and (d) would make uniform the measurement of refresher courses and part-time training respectively, under the MGIB, VEAP, and the survivors' and dependents' educational assistance program under chapter 35 of title 38; and subsection (e) would delete current statutory measurement requirements in section 3688 of title 38 so as to (1) eliminate the benefit differential for independent study and other nontraditional types of training in accredited undergraduate degree programs that have been approved by SAAs, and (2) eliminate the standard class-session requirement.

If an institution of higher learning (IHL) offers NCD courses on a credit-hour basis, VA would measure them in credit hours. If an IHL offers NCD courses on a clock-hour basis, VA would measure them in clock hours.

The Committee agrees with the following VA statement on page 42 of the FRVEP:

> When a recognized accrediting agency accredits a degree program and an SAA approves that program for enrollment by eligible students, veterans pursuing the same number of credit hours should receive the same monetary benefits, regardless of the mode of teaching. Distinctions in the level of benefits paid is not a valid means for differentiating as to the value of education programs, not is it a way to end abuse in these programs. The proper response to abuse is not the reduction of benefits but the disapprov-

al of such courses in the first place. Such is the role of accrediting bodies and State approving agencies.

The simplification of measurement provisions in section 114 of the Committee bill will help both students and program administrators in today's dynamic, multi-faceted education environment. Students would be able to take courses through the most convenient schedules without financial penalty, and administrative burdens would be lessened for all.

Cost: CBO estimates that the enactment of section 114 would entail costs of $3 million in both BA and outlays in FY 1993 and total costs of $19 million in both BA and outlays in FYs 1993-1997.

Clarification of Permitted Changes in Programs of Education

Section 115 of the Committee bill—which is similar to section 111 of S. 2647 as introduced, which in turn was derived from items 2 and 3 in the FRVEP—would provide that the limitations on changes of program by students using VA educational assistance do not apply to (a) a student beginning a new program of education after successfully completing another program, (b) a student not changing his or her vocational objective, and (c) a student transferring back to a former program without loss of credit for that program.

Generally, under section 3691 of title 38, a veteran or other eligible person may make not more than one change of program of education while receiving VA-administered educational assistance. The Secretary may approve additional changes if the Secretary finds that the proposed programs are suitable to the person's aptitudes, interests, and abilities. If the student's interruption or failure to make progress in an education program was due to the person's own misconduct or neglect, or lack of application, a second of subsequent change is not permitted unless the Secretary finds that there exists a reasonable likelihood that there will not be a recurrence of that interruption or failure of progress. The Secretary may approve additional changes in program if the Secretary finds that those changes are necessitated by circumstances beyond the person's control. Subsection (d) of section 3691 excludes from the term "change of program of education" a change from one program to another where the first program is prerequisite to, or generally required for, entrance into the second.

The Commission to Assess Veterans' Education Policy, on page 86 of its initial report to Congress, recommended that the limitation on the number of changes of program should be eliminated, declaring that it found "no purpose in limiting the number of changes a student may make." The VA noted its opposition to the Commission's recommendation on page 23 of its Interim Report and urged that some means of administering the law more simply and equitably be derived through changes in procedures or regulations, thereby obviating the need for eliminating the limits on changes of program altogether. The Congressional response, in section 423(b) of Public Law 101-366, the Department of Veterans Affairs Nurse Pay Act of 1990, granted VA discretionary authority to establish a procedure to approve changes of program after a first change.

Section 115 of the Committee bill, as a reflection of the further flexibility recommended by VA in the FRVEP, would provide veterans with additional flexibility in the case of VA educational benefits by excluding from the term "change of program of education" a change from the pursuit of one program to the pursuit of another program if (1) the person has successfully completed the former program; (2) the program leads to a vocational, educational, or professional objective in the same general field as the former program; or (3) in the case of a change from the pursuit of a subsequent program to the pursuit of a former program, the person resumes pursuit of the former program without loss of credit or standing in the former program.

Cost: CBO estimates that the enactment of section 115 would entail no significant cost.

Authority of Members of Selected Reserve to Receive Tutorial Assistance

Section 116 of the Committee bill—which is derived from section 103 of S. 2647 as introduced—would provide that members of the Selected Reserve participating in the MGIB could receive a tutorial assistance allowance of up to $100 per month for a maximum of 12 months, or until a maximum of $1,200 is utilized. The criteria and restrictions relating to this benefit would be the same as those applied to the tutorial benefits now available to active-duty members participating in the MGIB and to survivors and dependents in their educational assistance program.

Currently, members of the Selected Reserve who are eligible for educational assistance under chapter 106 of title 10 are not entitled to receive individualized tutorial assistance as are their counterparts on active duty who are participants in the educational assistance programs under chapters 30 and 32 of title 38, and those survivors and dependents who participate in the educational assistance program under chapter 35 of title 38.

Any student taking courses may have difficulty in a needed course for a chosen program of education. If assistane is not affordable, the program is jeopardized and the full value of the educational assistance benefit may be lost. The Committee believes that entitlement to needed tutorial assistance serves to increase a participant's chances for the successful utilization of his or her educational benefits. Provided that the criteria for use of tutorial assistance are properly regulated to avoid abuse and the use of the allowance is appropriately charged against the participant's total educational benefit entitlement, tutorial assistance should be seen, not as an extra bonus for selected VA educational assistance programs, but as an integral part of all such programs.

Section 116 of the Committee bill would add a new subsection (h) to section 2131 of title 10. Paragraph (1) of this new subsection would track the language of section 3492(a) of title 38 so as to establish as criteria for approval of individualized tutorial assistance, requirements that the individual be pursuing a postsecondary course of education on at least a half-time basis and have a deficiency in a required subject in, or one which is indispensable to the satisfactory pursuit of, the individual's program of education. Addi-

tionally, tutorial assistance must be necessary for the person successfully to complete the program of education.

Paragraph (2)(A) of this new subsection would track the language of section 3492(b) and sections 3019(b) of title 38 so as to provide that the amount of tutorial assistance allowance would not exceed $100 for any month, nor aggregate more than $1,200, and that it would be paid in addition to the amount of educational assistance allowance payable under chapter 106 of title 10.

Paragraph (2)(B) of this new subsection also would track the language of section 3492(b) of title 38 so as to provide that a tutorial assistance allowance would not be paid to a person until the educational institution certifies that (1) the tutorial assistance is essential to correct a deficiency in a necessary subject, (2) the tutor is qualified to provide the assistance and is not the person's relative, and (3) the charges do not exceed the customary charges for such tutorial assistance.

Paragraph 3 of this new subsection would track sections 3019(c) and 3234(c) of title 38 so as to provide that a person's period of entitlement to educational assistance under chapter 106 of title 10 would be charged only with respect to the amount of tutorial assistance paid in excess of $600, and that his or her entitlement would be charged at the rate of one month for each amount of assistance paid in excess of $600 that is equal to the amount of monthly educational assistance allowance which he or she would be otherwise eligible to receive for full-time pursuit of an institutional course under chapter 106.

Cost: CBO estimates that the enactment of section 116 would entail no significant cost.

TITLE II—VOCATIONAL REHABILITATION AND PENSION PROGRAMS

Permanent Programs of Vocational Rehabilitation for Certain Service-Disabled Veterans

Section 201 of the Committee bill, which is derived in part from section 2 of S. 1519 and section 2 of S. 2640, would make permanent the program of 12-month trial-work periods and vocational rehabilitation services for veterans who have total service-connected disability ratings based on individual unemployability (IU).

Currently, section 1163 of title 38 provides a temporary program for trial-work periods and vocational rehabilitation services. Under section 1163, a veteran who has a service-connected disability not rated as total but who has been awarded a rating of total disability by reason of an individual determination that he or she is unable to secure or follow a substantially gainful occupation as a result of that disability—an IU rating—and who starts a substantially gainful occupation before December 31, 1992, may not have his or her disability rating reduced on the basis of having obtained and continued the employment unless he or she maintains that employment for 12 consecutive months.

Also, through December 31, 1992, VA is to make available to program participants educational, vocational, psychological, employment, and personal adjustment counseling as well as placement and post-placement services.

This temporary program, enacted in section 111(a) of Public Law 98-543, the Veterans' Benefits Improvement Act of 1984 (October 24, 1984), initially ran from February, 1985, to January 31, 1989. It was designed to remove the disincentive for service-disabled veterans who were awarded IU ratings to participate in vocational rehabilitation or utilize existing skills to secure employment. The program required veterans awarded an IU rating to undergo an evaluation to determine their potential for rehabilitation and participate in a program of rehabilitation if reasonably feasible. Veterans who did not undergo an evaluation risked forfeiture of their IU rating.

Section 1301(a) of Public Law 100-687, enacted November 18, 1988, extended this temporary program for three years—through January 31, 1992—and made it voluntary by eliminating the requirement for an evaluation. Studies had shown that those whose participation was voluntary displayed the greatest motivation and the best outcomes.

Section 2(a) of Public Law 102-291, enacted May 20, 1992, extended the temporary program through December 31, 1992.

Section 201 of the Committee bill would amend section 1163 of title 38 to make the program permanent. At the Committee's May 13 hearing, VA testified that this program, as proposed to be made permanent, was consistent with current rehabilitation philosophy and practice, but that the 12-month provision retained in the Committee proposal was excessive in terms of the extent of protection needed for program purposes. VA would limit the IU rating protection to 6 months. The Committee does not agree with the VA's recommendation and proposes to maintain the 12-month protection in current law. The Disabled American Veterans (DAV) and the Paralyzed Veterans of America (PVA) testified in support of the Committee position.

Cost: CBO estimates that the enactment of section 201 would entail no significant cost.

Permanent Program of Vocational Training for Certain Pension Recipients

Section 202 of the Committee bill, which is derived from section 3 of S. 2640, would make permanent and totally voluntary a program of vocational training for certain veterans receiving VA pensions.

Currently, section 1524 to title 38 provides a temporary vocational training program—from February 1, 1985, through December 31, 1992—for not more than 3,500 new pension recipient veterans during any 12-month period beginning on February 1 of a year. A veteran under the age of 45 who is awarded a pension during the program period mut be evaluated with respect to his or her potential for rehabilitation through a personal interview by a VA employee trained in vocational counseling. If the veteran fails, for reasons other than those beyond his or her control, to participate in the evaluation, the veteran's pension will be suspended for the duration of the failure.

For a veteran pension recipient who is 45 years of age or older, the current temporary program of vocational training is totally voluntary. If a veteran-pensioner applies to participate and VA makes

a preliminary finding on the basis of information in the application that, with the assistance of a vocational training program, the veteran has a good potential for achieving employment, VA may give an applicant who requests one an evaluation to further determine whether the achievement of a vocational goal is reasonably feasible.

As was true with the temporary program that would be made permanent by section 201 of the Committee bill, this temporary program was enacted in Public Law 98–543 (section 301), and extended in Public Law 100–687 (section 1303(a)) and Public Law 102–291 (section 2).

VA, in its assessment of section 3 of S. 2640, stated that the temporary program in section 1524 "clearly has been beneficial," noting that approximately one-third of the veterans for whom an evaluation has been provided are capable of pursuing a vocational program and are becoming suitably employed. VA further noted that the proportion of veterans with earnings is approximately four times higher among veterans who pursue a VA vocational training program than for veterans who are otherwise capable but do not elect to pursue such a program.

However, VA reported that the requirement of evaluations for veterans under age 45 imposes a major administrative burden without commensurate benefit to either the veteran or the Government. According to VA, a substantially higher proportion of veterans who can participate in the program on a voluntary basis actually do so than veterans for who an evaluation is required. VA surmised that reducing the administrative burden by eliminating the mandatory requirement for evaluations would improve program effectiveness and conserve staff time without impairing a veteran's access to program services. In testimony given at the Committee's May 13 hearing, VA strongly supported this provision of the Committee bill as it appeared in S. 2647 as introduced.

The DAV, in its testimony, opposed the provision, indicating that the program of vocational training for veterans receiving a pension demands both time and resources from VA that might otherwise be directed to service-connected disabled veterans. However, the DAV did testify that it would not object to this program if VA were to receive additional resources to deal with the high volume of participants in vocational rehabilitation. The Committee shares the DAV's concern with the steady decline in the timeliness of VA's vocational rehabilitation and counseling services, but believes that the value to participants is significant, and, that when redesigned and made voluntary for all pension recipients, the program would become more efficient and cost-effective. The PVA, in its May 13 testimony, "strongly supports this initiative".

Section 202 of the Committee bill would amend section 1524(a) of title 38 to (1) make permanent the program of vocational training for all veterans receiving a VA pension; (2) make the program voluntary for all pension recipients, regardless of age; (3) eliminate the limitation on the number of program participants who may be evaluated annually; (4) expressly provide that the Secretary may determine what training is necessary for a VA employee to be able to conduct personal interviews of veterans under this program; and (5) authorize VA not to conduct an evaluation if the Secretary de-

termines that it is not feasible or is not necessary in order to determine whether the achievement of a vocational goal is reasonably feasible.

Cost: CBO estimates that the enactment of section 202 would entail no significant cost in FYs 1993 and 1994 and costs of $1 million in both BA and outlays for each of FYs 1995–1997.

Protection of Health-Care Eligibility for Certain Pension Recipients

Section 203 of the Committee bill, which is derived from section 3 of 1519 and section 3 of S. 2640, would make permanent the protection of health-care eligibility for a period of three years following the termination of pension benefits for veterans whose entitlement to pension is terminated after January 31, 1985, due to income from work or training.

Currently, section 1525 of title 38 protects the health-care eligibility for veterans whose pension is terminated during the temporary program period of February 1, 1985, through December 31, 1992, due to income from work or training.

Section 203 of the Committee bill would amend section 1525 to make permanent the health-care eligibility protection as temporarily afforded therein. This section is intended to work, in part, in consort with section 202 of the Committee bill, which would make permanent the program granting vocational training to veterans receiving VA pensions. The care and services for which a veteran would retain eligibility include, when applicable, drugs and medicines under section 1712(h) of title 38 and special priority for care and services under clauses (5) and (6) of section 1712(i).

Cost: CBO estimates that the enactment of section 203 would entail no signficant cost.

Vocational Rehabilitation for Certain Service-Disabled Veterans With Serious Employment Handicaps

Section 204 of the Committee bill, which is derived from section 205 of S. 2647 as introduced, would, effective October 1, 1993, provide a veteran who has a 10-percent service-connected disability and a serious employment handicap with entitlement to a VA rehabilitation program.

Section 3102 of title 38 currently provides vocational-rehabilitation entitlement under chapter 31 of title 38 to a veteran who has a service-connected disability compensable at a rate of 20 percent or more and is determined by the Secretary to be in need of rehabilitation because of an employment handicap. The current eligibility requirement of a rating of 20 percent or more was established by the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), enacted November 1, 1990. Prior to OBRA 90, the requirement was for at least a 10-percent rating.

The Committee has become aware that many veterans with service-connected disabilities rated at 10-percent have a serious employment handicap—which is defined as a significant impairment to one's ability to prepare for, obtain, or retain employment consistent with one's abilities, aptitudes, and interests—resulting either from their service-connected disabilities alone or from those disabilities in conjunction with non-service-connected disabilities.

At the Committee's May 13 hearing, the PVA and the DAV strongly supported the restoration of vocational rehabilitation to veterans rated 10-percent disabled who the VA determines have serious employment handicaps.

Section 204 of the Committee bill would restore entitlement to vocational rehabilitation to a veteran who has a service-connected disability that is compensable at a rate of 10 percent if he or she also has a serious employment handicap.

Cost: CBO estimates that the enactment of section 204 would entail no costs in both BA and outlays in FY 1993 and total costs of $16 million in both BA and outlays in FYs 1993–1997.

Increase in Subsistence Allowance for Veterans Receiving Vocational or Rehabilitative Training

Section 205 of the Committee bill, which is identical to section 204 of S. 2647 as introduced, would increase by 10 percent, effective October 1, 1993, the subsistence allowance paid to veterans participating in VA's program of training and rehabilitation under chapter 31 of title 38 for veterans with service-connected disabilities.

The subsistence allowance provided under section 3108 of title 38 for veterans pursuing a rehabilitation program under chapter 31 was last increased in January, 1990 (Public Law 101–237). That increase, of 7.5 percent, did not adequately cover the nearly 20-percent increase in the Consumer Price Index (CPI) that had occurred since the previous adjustment six years earlier (Public Law 98–543, enacted October 24, 1984). The CPI has increased another 9.8 percent in fiscal years 1990 and 1991.

A preliminary finding by a General Accounting Office study of the effectiveness of the VA Vocational Rehabilitation and Counseling program reveals that 71 percent of the applicants for vocational rehabilitation under chapter 31 of title 38 drop out of the program before obtaining suitable employment. The study indicates one reason for this high attrition rate is that the subsistence allowance is too low to provide a decent living for program participants. At its current levels, the subsistence allowance has lost approximately 22 percent of its value due to the increase in CPI since 1984.

Section 205 of the Committee bill would increase by 10 percent the subsistence allowance paid to service-disabled veterans participating in a rehabilitation program in order to bring its value more in line with the rising cost of living. While this 10-percent increase falls short of the full measure of the inflationary rise, the Committee believes such an increase would be useful in helping to enable service-disabled veterans to maintain a reasonable standard of living while pursuing programs of rehabilitation.

Cost: CBO estimates that the enactment of section 205 would entail no costs in both BA and outlays in FY 1993 and total costs of $90 million in both BA and outlays in FYs 1993–1997.

Treatment of Certain Applications for Pension and for Dependency and Indemnity Compensation

Section 206 of the Committee bill—which is similar to section 206 of S. 2647 as introduced, which was derived in turn from section

301 of S. 1516—would provide that, where a new application for pension or for parents' dependency and indemnity compensation (DIC) is filed within one year after a renouncement of rights to these benefits has been filed, the application shall not be treated as an original application and benefits will be payable as if the renouncement had not occurred.

Currently, under section 5306 of title 38, if a recipient of VA pension, compensation, or DIC renounces the right to these benefits, he or she may submit a new application, but that application will be treated as an original application and no payment will be made for any period before the date the new application is filed.

Recipients may renounce their rights to a VA pension or parents' DIC—both of which are income-tested benefits—in anticipation of the receipt of non-recurring income and then reapply after the income is received. These people effectively avoid having the income received during the interval between the renouncement and the new application considered in the computation of their needs-based benefit. In the Secretary's July 2, 1991, letter transmitting the draft bill that was introduced as S. 1516, the Secretary stated, "Existence of this 'loophole' is inconsistent with the objective of the improved pension program that benefits be provided on the basis of actual need."

Section 206 of the Committee bill, by not treating a new application for pension and parents' DIC benefits filed within one year after the renouncement of such benefits as an original application, would count any income received during the interval between the renouncement and the filing of the new application for benefit computation purposes.

Cost: CBO estimates that the enactment of section 206 would result in no significant savings.

TITLE III—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES FOR VETERANS

Improvement of Disabled Veterans' Outreach Program

Section 301 of the Committee bill would expand the statutory formula for the appointment of disabled veterans' outreach program (DVOP) specialists to include, in addition to Vietnam-era veterans and veterans with service-connected disabilities, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975).

Background

The DVOP program was initiated by the Department of Labor (DoL) in January 1977 as a temporary means to reduce the high rate of unemployment among Vietnam-era and service-disabled veterans. Nearly 2,000 service-disabled veterans were hired by State employment security agencies (SESAs) and assigned to local employment service offices. These DVOP specialists sought out disabled veterans in need of employment assistance and provided them with employment services including counseling, locating available positions, and job placement.

The temporary DVOP program proved to be highly successful and was codified in section 2003A (now 4103A) of title 38 by Public

Law 96-466, enacted October 17, 1980. The scope of the program was expanded at that time to include employment assistance for nearly all unemployed veterans. Under section 4103A(b)(1) of title 38, priority for DVOP services is to be given first to disabled Vietnam-era veterans who are participating in or have completed a program of VA vocational rehabilitation; second, to other disabled veterans; and third, to other eligible veterans in accordance with priorities determined by the Secretary of Labor. For purposes of this program, "disabled" veterans means those who have compensable disabilities (generally, rated 10 percent or more disabling) or who were discharged or released from active duty because of a service-connected disability; and "eligible veterans" includes those who were discharged because of a service-connected disability or who served for at least 181 days and were released or discharged with other than a dishonorable discharge.

Currently, section 4103A(a)(1) provides for the appointment of one DVOP specialist for each 5,300 veterans of the Vietnam era and disabled veterans residing in each State. According to DoL, application of the current formula results in 1,885 DVOP specialist positions. Although Vietnam-era and disabled veterans are the population cohorts for the present DVOP staffing formula, DVOP employment assistance is, as noted above, available to all eligible veterans.

In the last few years, recently discharged veterans—a group not considered in the present determination of DVOP staffing, except to the extent they are Vietnam-era or disabled veterans—have become an increasing part of the DVOP workload. The transition assistance program (TAP), established nationwide in the National Defense Authorization Act of 1991 (section 502 of Public Law 101-510, enacted November 5, 1990) and codified in section 1144 of title 10, requires DoL to provide employment assistance to active-duty military personnel who are within 180 days of their separation from active duty. DoL frequently uses DVOP specialists to conduct this program.

In a second recent legislative change, the term "eligible veteran" in section 4211(4) of title 38 was expanded by section 5 of Public Law 102-127, the Veterans' Educational Assistance Amendments of 1991, enacted October 10, 1991, to make employment assistance available to activated reservists who were discharged or released with other than a dishonorable discharge and who served during a period of war (such as the Persian Gulf War) or in a campaign or expedition for which a campaign badge is authorized (such as Grenada or Operation Just Cause in Panama). This expansion would permit such veterans, who were not otherwise eligible—because they had neither served on active duty for a period of more than 180 days nor been discharged or released from active duty because of a service-connected disability—to receive job counseling, training, and placement services through the DVOP program.

Committee bill

Section 301 of the Committee bill would amend section 4203A(a)(1) of title 38 to revise the formula for calculating the number of DVOP specialists so as to reflect more accurately the current clientele base in need of employment assistance services. It

is not the Committee's intent that this revision would increase the DVOP staffing level beyond that needed to serve veterans and to provide effective administration of the TAP program.

Post-Vietnam-era veterans—a population now numbering about 3.2 million—would be added as a new DVOP staffing formula cohort in light of the fact that those veterans, when eligible, are already being served by the 1,885 DVOP specialists whose number is determined by the current formula.

TAP—which normally consists of 3-day job-readiness seminars and similar activities—is a major new DVOP specialist responsibility that has been added since the development of the staffing formula. TAP involves the providing of services to active-duty personnel at military facilities and is now being staffed at the possible expense of veterans who go to local SESA offices—persons for whom the DVOP program was originally designed. DoL, in an April 10, 1992, response to questions submitted prior to the Committee's budget hearing on February 27, 1992, stated that 21 State-grant-funded full-time employee equivalents from SESA offices would be used in conjunction with TAP workshops.

To maintain the present DVOP specialist staffing level (1,885), plus the 21 additional staff the Committee believes are necessary for TAP, while factoring in an additional cohort of veterans, section 301 would change the ratio of DVOP to considered veterans from one DVOP for each 5,300 considered veterans to one DVOP for each 6,900 considered veterans. Because the population actually being served does not change—only the cohorts for determining the staffing are to be different—the workload of each DVOP specialist would not initially change.

The Committee recognizes the importance of the DVOP program as a permanent and ongoing one to assist veterans in obtaining employment training and placement. The Committee believes that the formula used to determine the number of DVOP specialists should be reflective of the clientele it serves and should provide for the distribution of DVOP resources by State according to the considered veteran population therein. At the same time, the Committee believes that the continued use of a formula for determining the number of DVOP positions, rather than the designation of a fixed number of DVOP positions, allows the system for resource distribution to remain flexible enough to address the growing number of veterans who will use DVOP services in the near future, particularly new veterans expected to seek civilian employment as a result of the military downsizing.

Cost: CBO estimates that the enactment of section 301 would entail no significant cost.

Repeal of Delimiting Date Relating to Treatment of Veterans of the Vietnam Era for Employment and Training Program Purposes

Section 302 of the Committee bill would make permanent the consideration of a veteran of the Vietnam era for purposes of various veterans' employment and training program under chapters 41 and 42 of title 38 by repealing the expiration date of December 31, 1994, for that consideration.

Current law, section 4211(2)(B) of title 38, provides that no veteran may be considered to be a "veteran of the Vietnam era" after December 31, 1994, except for purposes of employment with the Federal government under the veterans readjustment appointment authority in section 4214. Veterans of the Vietnam era are the major population cohort used in the calculation of DVOP positions under section 4103A(a)(1). Under the current formula, the elimination of this cohort after December 31, 1994, would cause the number of DVOP positions to drop from 1,885 to 433, rendering the program essentially useless. A similar result would occur under the staffing formula as proposed to be amended by section 301 of the Committee bill (discussed above).

Section 302 of the Committee bill would eliminate this "sunset" provision for the consideration of Vietnam-era veterans in the DVOP staffing formula. The Committee anticipates that Vietnam-era veterans will continue to be a significant clientele of the DVOP program in 1995 and beyond and believes that their number should be retained as a basis for DVOP staffing levels.

Cost: CBO estimates that the enactment of section 302 would entail no cost in FY 1993 and FY 1994, and entail costs of $200 million in both BA and outlays in FYs 1995–1997.

Authorization of Appropriations for Certain Employment, Job Training, and Other Assistance

Section 303 of the Committee bill would authorize an increase in the FY 1993 appropriation for TAP and would extend the authorization for the TAP appropriation by two years—through FY 1995—as follows: $11 million for FY 1993 and $8 million for each of FYs 1994 and 1995 for the DoL, and $6.5 million for each of FYs 1993–1995 for VA.

Background

Section 408 of Public Law 101-237, enacted on December 18, 1989, mandated that DoL conduct a three-year pilot program to provide employment and training information and services to members of the Armed Forces who were within 180 days of their separation from active duty. The program—modeled after California's highly successful Career Awareness Program (CAP) initiated in 1978—was to be conducted in not less than five and not more than ten geographically dispersed States selected by the Secretary of Labor. Due to the favorable acceptance of this experimental program and the anticipated need for more transition assistance through at least FY 1995—covering the then expected period of military downsizing—TAP was made a nationwide program in 1990 by Public Law 101-510.

Currently, the TAP program under section 1144 of title 10 requires DoL, in conjunction with VA and the Department of Defense, to furnish counseling, assistance identifying employment and training opportunities, and help in obtaining such employment and training to members of the Armed Forces who are within 180 days of separation from active duty and their spouses. Subsection (e) of section 1144, authorizes DoL appropriations of $9 million for each

of fiscal years 1992 and 1993, and VA appropriations of $4 million for each of those years.

At the Committee's May 13 hearing, DoL testified that from October 1991, to March 1992, the TAP program reached 44,000 existing servicemembers. By the end of FY 1992, TAP three-day workshops will be operating at 178 sites, making the program available to 97 percent of the separating servicemembers in the United States, and DoL plans to create a video to complement the TAP workbook for those servicemembers who are overseas.

However, in an April 10, 1992, response to questions submitted prior to the Committee's budget hearing on February 27, 1992, DoL stated that it anticipated serving only 60 percent of the 200,000-percent nationwide audience potentially reachable by TAP. At the budget hearing, the DoL witness testified that, according to preliminary calculations, DoL would require $11 million in FY 1993 to put TAP on a solid footing and give all separating servicemembers the employment assistance they need—without detracting from services to veterans. Approximately $3 million of the funds needed by DoL for FY 1993 represented one-time purchases of equipment and certain other nonrecurring costs, leaving an on-going need of $8 million to provide adequate TAP services in each of FYs 1994 and 1995.

VA, in its February 20, 1992, response to questions submitted prior to the Committee's budget hearing, stated that it would need an additional 40 veterans benefits counselors and nine support personnel to meet the VA's military services program goals, and an additional 50 Vocational Rehabilitation Service personnel to meet its disabled transition assistance program (DTAP) goals—DTAP being the TAP component for servicemembers being discharged with a disability. VA's total annual personnel cost was estimated to be $6.5 million.

Witnesses at Committee hearings have consistently testified that timely Federal assistance during the critical period of transition from active duty to civilian life—the last six months before separation—is extremely valuable for the men and women being released. In addition, studies conducted in connection with the CAP program in California have shown that such assistance is a good government investment. Development of job-readiness skills, such as resume writing and interview techniques, can both eliminate or reduce any period during which a person draws unemployment compensation after discharge and increase his or her taxable salary level in the initial post-service job.

Committee bill

Section 303 of the Committee bill would authorize appropriations for both DoL and VA in accordance with VA and DoL estimates for the needs of their TAP components through FY 1995—$11 million for FY 1993 and $8 million for each of FYs 1994 and 1995 for DoL, and $6.5 million for each of FYs 1993–1995 for VA.

As hundreds of thousands of military personnel move into the civilian workforce amid troubling economic conditions, TAP and DTAP provide critical information and outreach to ease their transition.

Cost: CBO estimates that the enactment of section 303 would entail $17.5 million in both BA and outlays in FY 1993 and $14.5 million in both BA and outlays in FYs 1994 and 1995.

TITLE IV—COST SAVINGS

Title IV of the Committee bill would provide for offsetting the direct-spending costs of the Committee bill and certain other Committee reported legislation.

Permanent Authority for Recovery of Certain Medical-Care Costs

Section 401 of the Committee bill would achieve savings by repealing the October 1, 1993, expiration date of the legislation authorizing the collection of third-party reimbursements for the non-service-connected care furnished by VA to service-disabled veterans.

Before the enactment of the Omnibus Budget Reconciliation Act of 1990 (OBRA 90), section 1729(a) (then section 629(a)) of title 38 authorized VA to collect from the third-party payers the reasonable cost of medical care that VA furnished for the non-service-connected disabilities of (a) any veteran covered under (1) a workers' compensation law or plan, (2) a State law concerning no-fault automobile insurance, (3) a State or local program of compensation for victims of a crime of personal violence; and (b) a veteran who has no service-connected disabilities and who has coverage under a health-plan contract (typically a health-insurance plan).

Section 8011 of OBRA 90 amended section 1729(a)(2) to add a subparagraph (E) that authorized VA, during the period ending on October 1, 1993, to collect from a third-party payer under a health-plan contract the reasonable cost of medical care VA furnishes for the treatment of a non-service-connected disability to a veteran who has a service-connected disability and who is entitled to care (or payment of the expenses of care) under the health-plan contract.

Section 401 of the Committee bill would amend section 1729(a)(2)(E) to eliminate the October 1, 1993, sunset date and thereby make permanent VA's authority to be reimbursed for the reasonable cost of care and services it furnishes for a non-service-connected disability of a service-disabled veteran who is entitled to care under a health-plan contract.

Cost: CBO estimates that the enactment of section 401 would result in no savings in FY 1993, but would result in savings of $870 million in both BA and outlays in FY 1994 through FY 1997.

Permanent Authority to Carry Out Income Verification

Section 402 of the Committee bill would repeal the September 30, 1992, expiration date of the legislation that allows VA to obtain and use certain Social Security Administration (SSA) and Internal Revenue Service (IRS) data to verify the incomes of those who apply for or receive VA needs-based benefits.

Background

Section 6103(l)(7) of the Internal Revenue Code of 1986 (IRC) authorized IRS and SSA to disclose certain third-party and self-unem-

ployment tax information to certain agencies administering means-tested benefits to determine the correct payment of those benefits. VA was not included in the agencies specified by this legislation to receive such information. Without access to IRS income data, VA did not always have reliable sources of data for verifying income information reported by its beneficiaries. According to a General Accounting Office (GAO) audit report issued in March 1988, entitled "Veterans Pensions—Verifying Income With Tax Data Can Identify Significant Payment Problems", VA made potential overpayments of over $157 million in 1984 to beneficiaries because it lacked access to tax data.

Section 8051 of OBRA 90 amended section 6103(l) of the IRC to require disclosure to VA of and added to title 38 section 5317 (then section 3117) to authorize VA to use, with certain restrictions, (a) third-party and self-employment tax information for purposes of determining eligibility for VA needs-based pension and parents' DIC and VA health-care services based on income status, and (b) only wage and self-employment information from tax returns for purposes of determining eligibility for compensation paid at the total-disability-rating level based on an individual determination of unemployability. This IRC section and section 5317(g) of title 38 terminate VA's access to tax data on September 30, 1992.

In a report issued in December 1991, entitled "Veterans' Benefits—Millions in Savings Possible From VA's Matching Program With IRS and SSA", GAO stated on page 2, "Initial results show that nearly $340 million more in unearned income was reported to IRS than to VA by the same beneficiaries for that tax year [1989]. VA officials also expect additional savings to result from matches with SSA earnings data."

Committee bill

Section 402 of the Committee bill would amend the IRC and would delete subsection (g) of section 5317 of title 38 to repeal the September 30, 1992, termination date and grant VA permanent access to IRS and SSA income data so that it can verify eligibility for VA benefits and the amounts to be paid to beneficiaries.

Cost: CBO estimates that the enactment of section 402 would result in savings of $31 million in BA and $27 million in outlays in FY 1993, and result in total savings of $353 million in BA and $345 million in outlays in FYs 1993–1997.

Reduction in Pension for Veterans and Veterans' Survivors Who Are Receiving Medicaid-Covered Nursing Home Care

Section 403 of the Committee bill would (a) repeal the September 30, 1992, expiration date of legislation that limits pension payments to $90 a month for Medicaid-eligible veterans receiving VA needs-based pension who have neither spouse nor child and who are in nursing homes participating in Medicaid (other than at a State Veterans Home), and (b) expand that legislation, effective July 1, 1992, to cover similarly situated veterans' spouses who are receiving VA pension.

Background

Prior to the enactment of OBRA 90, veterans in non-VA nursing homes who received Medicaid did not have their pension benefits reduced, but were required under the Medicaid law to apply their VA pension toward the cost of their nursing-home care.

Section 8003 of OBRA 90 amended section 5503 of title 38 to add a subsection (f) that applied a $90-a-month limit on pension payments to Medicaid-eligible veterans who have neither spouse nor child and who are in nursing homes that participate in Medicaid, requiring Medicaid payments to replace the VA pension payments for veterans' nursing-home care.

From the veteran's standpoint, the OBRA 90 provision protects $90 a month of the VA pension from various State Medicaid rules that required the veteran to use almost all of the pension for his or her care, except for a "personal allowance"—an amount that is less than $90 a month in every State. Thus, the OBRA 90 provision effectively ensures that veterans whose VA pension is reduced under that provision actually receive more personal spending money than they were allowed to keep under prior law.

Committee bill

Section 403 of the Committee bill, effective July 1, 1992, would amend section 5503(f) to extend to wartime veterans' spouses who receive VA's needs-based pension the provisions of section 8003 of OBRA 90, which limit monthly pension payments to $90 a month for Medicaid-eligible veterans receiving VA needs-based pension who have no child and who are in nursing homes participating in Medicaid, except those who are in State Veterans Homes. This provision is substantively identical to section 4 of S. 775, which the Senate passed on November 20, 1991. The provision would also make permanent section 8003 of OBRA 90 by repealing its September 30, 1992, expiration date.

Costs: CBO estimates that the enactment of section 403 would result in savings of $158 million in BA and $123 million in outlays in FY 1993, and result in total savings of $1.002 billion in BA and $964 million in outlays in FYs 1993 through 1997.

Cost Estimate

In compliance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate, the Committee, based on information supplied by the Congressional Budget Office (CBO), estimates that the costs or savings resulting from the enactment of the Committee bill (as compared to the CBO baseline) during the first five years following enactment would be savings of $161.5 million in budget authority and $122.5 million in outlays in FY 1993; savings of $246.5 million in budget authority and $285.5 million in outlays in FY 1994; savings of $260.5 million in both budget authority and outlays in FY 1995; savings of $302.0 million in budget authority and $258.0 million in outlays in FY 1996; and savings of $343.0 million in budget authority and $341.0 million in outlays in FY 1997.

The cost estimate provided by CBO, setting forth a detailed breakdown of the costs follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, August 3, 1992.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed revised cost estimate of S. 2647, Veterans' Readjustment Benefits Improvement Act of 1992, as ordered reported by the Committee on Veterans' Affairs on June 24, 1992. The initial estimate of S. 2647 was based on language provided by the committee staff that we believed to be final. This estimate is based on revised language provided by the staff.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 2647.

2. Bill title: Veterans' Readjustment Benefits Improvement Act of 1992

3. Bill status: As ordered reported by the Committee on Veterans' Affairs on June 24, 1992. This revised estimate is based on legislative language provided by the committee staff on July 31, 1992.

4. Bill purpose: To amend title 38, United States code, and title 10, United State Code, to revise and improve educational assistance programs for veterans and members of the armed forces, to improve certain vocational assistance programs for veterans, and for other purposes.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1993	1994	1995	1996	1997
Direct spending:					
Increase in amount of basic educational assistance:					
Estimated budget authority	6	105	110	115	120
Estimated outlays	6	105	110	115	120
Eligibility of certain officers for educational assistance:					
Estimated budget authority	−1	−1	−1	1	4
Estimated outlays	−1	−1	−1	1	4
Treatment of certain active-duty service toward eligibility for educational assistance:					
Estimated budget authority	0	1	1	2	2
Estimated outlays	0	1	1	2	2
Educational assistance for certain persons whose initial period of obligated service was less than 3 years:					
Estimated budget authority	1	5	5	5	5
Estimated outlays	1	5	5	5	5
Educational assistance rates for certain active-duty members:					
Estimated budget authority	0	15	15	10	10
Estimated outlays	0	15	15	10	10

[By fiscal years, in millions of dollars]

	1993	1994	1995	1996	1997
Use of educational assistance for solo flight training:					
Estimated budget authority	1	1	0	0	0
Estimated outlays	1	1	0	0	0
Revisions in measurement of courses:					
Estimated budget authority	3	4	4	4	4
Estimated outlays	3	4	4	4	4
Permanent program of vocational training for certain pension recipients:					
Estimated budget authority	(1)	(1)	1	1	1
Estimated outlays	(1)	(1)	1	1	1
Increase in subsistence allowance for veterans receiving vocational or rehabilitative training:					
Estimated budget authority	0	25	25	20	20
Estimated outlays	0	25	25	20	20
Vocational rehabilitation for certain disabled veterans with serious employment handicaps:					
Estimated budget authority	0	4	4	4	4
Estimated outlays	0	4	4	4	4
Permanent authority for recovery of certain medical-care costs:					
Estimated budget authority	0	−171	−210	−236	−253
Estimated outlays	0	−171	−210	−236	−253
Permanent authority to carry out income verification:					
Estimated budget authority	−31	−51	−72	−88	−111
Estimated outlays	−27	−55	−72	−81	−110
Reduction in pension for veterans and veterans' survivors who are receiving Medicaid-covered nursing home care:					
Estimated budget authority	−158	−198	−207	−215	−224
Estimated outlays	−123	−233	−207	−178	−223
Other direct spending provisions:					
Estimated budget authority	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)
Subtotal, direct spending:					
Estimated budget authority	−179	−261	−325	−377	−418
Estimated outlays	−140	−300	−325	−333	−416
Authorization of appropriations:					
Repeal of delimiting date relating to employment and training of Vietnam era veterans:					
Estimated authorization level	0	0	50	75	75
Estimated outlays	0	0	50	75	75
Authorization of appropriations for certain employment, job training and other assistance:					
Estimated authorization level	17.5	14.5	14.5	0	0
Estimated outlays	17.5	14.5	14.5	0	0
Subtotal authorization of appropriations:					
Estimated authorization level	17.5	14.5	64.5	75.0	75.0
Estimated outlays	17.5	14.5	64.5	75.0	75.0
Bill total:					
Estimated authorization level/budget authority	−161.5	−246.5	−260.5	−302.0	−343.0
Estimated outlays	−122.5	−285.5	−260.5	−258.0	−341.0

[1] Less than $500,000.

Basis of estimate: This estimate assumes enactment of this bill by September 30, 1992.

Direct spending provisions

S. 2647 would amend the following educational assistance programs: Chapter 30 of title 38, United States Code (USC), All Volunteer Force Educational Assistance Program, Chapter 106, of title 10 USC, Educational Assistance for Members of the Selected Reserve, Chapter 31, of title 38 USC, Training and Rehabilitation for Veterans with Service-Connected Disabilities, and Chapter 32, of title 38 USC, Post Vietnam Era Educational Assistance. Also, the Chapter 30 and 106 programs are referred to as the Montgomery GI Bill program.

Increase in the amount of basic educational assistance.—S. 2647 would amend the Montgomery GI Bill program to increase the monthly benefits per beneficiary beginning September 1, 1993. Under current law, the Chapter 30 benefit amount is $350 per month and the Chapter 106 benefit amount is $170 per month until September 30, 1993. Beginning on October 1, 1993, the Secretary of Veterans' Affairs has the option to reduce these benefit amounts to $300 and $140 per month, leave the benefit amounts at $350 and $170 per month, or increase the benefits amounts by the annual percentage change in the Consumer Price Index (CPI). The CBO baseline has assumed the benefits would be indexed to the CPI.

Under S. 2647 the new monthly benefits per beneficiary would be $400 for Chapter 30 and $195 for Chapter 106 in September of 1993 and would be indexed to the CPI thereafter. Relative to the CBO baseline, these new benefit levels are $50 per month higher in the Chapter 30 program and $25 per month higher in Chapter 106. CBO estimates the cost of this provision would be $6 million in fiscal year 1993 and would rise to $120 million in fiscal year 1997. The 1993 costs represent estimated benefit increases in September. This estimate is based on the CBO Montgomery GI Bill model that projects benefit use by entering active duty cohorts over the 10-year period they are entitled to use the benefits. CBO estimates the monthly benefit would increase approximately 15 percent for both the Chapter 30 and Chapter 106 programs. Subsequent provisions are estimated assuming these higher monthly benefit amounts.

Eligibility of certain officers for educational assistance.—S. 2647 would allow certain officers to train in the Montgomery GI Bill program if they receive their commission after September 30, 1992. Current law denies participation in the Montgomery GI Bill program to officers who receive a commission after graduating from a military academy of the U.S. armed forces or after completing a senior reserve officer training corps program (ROTC). CBO estimates this provision would cost $2 million over the five-year period.

Based on current information from the armed services that takes into account anticipated force reductions, we estimate that about 8,500 officers will graduate from the military academies and ROTC programs each year in fiscal years 1993 through 1997. Further, we assume 10 percent would elect to contribute the $1,200 necessary to participate in the program based on current graduate training experience in the Chapter 30 program. Because officers receiving their commission after September 30, 1992 would serve in the armed forces on average for three years, CBO estimates that educational benefit outlays would not occur until fiscal year 1996. Never-

theless, the $1,200 would be collected when the officers receive their commission and elect to contribute under the Montgomery GI Bill program. The estimate for this provision reflects contributions beginning in fiscal year 1993 (which are counted as negative budget authority and outlays) and benefit payments for training beginning in fiscal year 1996.

Treatment of certain active duty service toward eligibility for educational assistance.—Beginning October 1, 1993, this bill would allow members of the armed forces who are discharged or released from active duty with less than 12 months of service and who reenlist for a period of active duty to treat those periods as continuous for the purpose of eligibility under the Chapter 30 program. Under current law, if members of the armed forces are released with less than 12 months of service and then reenlist for a period of active duty, they are ineligible for Chapter 30 education benefits because their eligibility is based on their first term of service, not the second, even though the second term of service was for 3 years or more as required by the Chapter 30 program. Also, this bill would allow any contributions made during the first term of enlistment to be carried over into the second term and count towards the $1,200 contribution needed to be eligible for benefits.

CBO estimates this provision would cost $1 million in fiscal year 1994 and $6 million over the five-year period. We estimate 2 percent of the enrolled population is discharged with less than 12 months of service and about 5 percent of those people reenlist. This estimate assumes on average people would train 6 months a year and use a total of 30 months of benefits.

Educational assistance for certain persons whose initial period of obligated service was less than 3 years.—S. 2647 would allow those persons who initially enlisted for less than 3 years, but subsequently served 3 years or more, to be eligible for the $350 monthly benefit amount under the Chapter 30 program. Under current law, the persons described above are eligible for $275 per month. The increased benefit amount would be available to anyone training after August 31, 1993. CBO estimates the cost of this provision would be $1 million in fiscal year 1993 for the month of September and $5 million each year for fiscal years 1994 through 1997. This estimate assumes approximately 10,000 trainees would receive additional benefits for 6 months of training each year.

Educational assistance rates for certain active duty members.—Beginning October 1, 1993, S. 2647 would allow service members who train under the Chapter 30 program while on active duty to collect $350 per month. In current law, service members who train under the Chapter 30 program while on active duty are entitled to the lesser of tuition and fees or $350 per month. CBO estimates this provision would cost $50 million over the five-year period. This estimate assumes that those who train at public institutions receive less than $350 per month. Based on the current Chapter 30 experience, CBO estimates approximately 5 percent of service members train while on active duty and would be eligible for an additional $180 per month in fiscal year 1994 and increasing additional benefit amounts in fiscal years 1995 through 1997.

Use of educational assistance for solo flight training.—This bill would allow educational benefit recipients under Chapters 30, 32,

and 106 to use their educational assistance benefits for flight training including solo hours. Currently, Chapters 30, 32, and 106 participants may use their educational assistance benefits for flight training but not for solo hours. Flight training including solo hours would be allowed from October 1, 1992 through September 30, 1994 CBO estimates the cost of this provision would be $1 million each year in fiscal years 1993 and 1994.

Revision in measurement courses.—S. 2647 would increase benefit payments for several types of education courses. For example, the benefit amount for independent study courses would increase by 50 percent. Also, S. 2647 would pay the same benefit amount for vocational studies pursued at accredited and non-accredited institutions. These changes would affect the Chapters 30, 32, 35, and 106 education programs and would be effective September 1, 1993.

CBO estimates this provision would cost $3 million in fiscal year 1993 and $4 million each year for fiscal years 1994 through 1997. This estimate assumes that between 2 percent and 10 percent of the trainee population would be affected depending on the particular change and that the average benefit increase would range from $30 to $100 per month depending on the provision and the education program.

Permanent program of vocational training for certain pension recipients.—This bill would make permanent a program of vocational training for certain pension recipients. A temporary program for such veterans, which ended January 31, 1992, offered veterans receiving pensions for non-service connected disabilities vocational counseling and training. In 1991, the program cost was $516,000. This estimate shows this cost, increased for inflation and decreased by the benefits that will be received by veterans who qualified for this program before January 1, 1992 under current law. CBO estimates this provision would cost less than $500,000 in fiscal year 1993 and would rise to $1 million in fiscal year 1997.

Increase in subsistence allowance for veterans receiving vocational or rehabilitative training.—S. 2647 would increase the subsistence allowance for the Chapter 31 program by 10 percent beginning in fiscal year 1994. The CBO baseline assumed the average annual allowance per person would be $5,639, $5,718, $5,797, and $5,877 for fiscal years 1994 through 1997 respectively. This bill would increase the average allowance per person to $6,203, $6,290, $6,377, and $6,464 for fiscal years 1994 through 1997 respectively. CBO estimates the cost of this provision would be $90 million over the 5-year period.

Vocational rehabilitation for certain disabled veterans with serious employment handicaps.—Beginning October 1, 1993, S. 2647 would allow those veterans rated with a 10 percent disability rating and having a serious employment handicap to participate in the Chapter 31 program. Currently, any veteran with a disability rating of 10 percent or below is ineligible for the program. Based on information from the Department of Veterans Affairs (VA), CBO estimates that 650 additional trainees per year would enroll in the Chapter 31 program. The average benefit would be consistent with the estimates under the above provision. CBO estimates this provision would cost $4 million each year in fiscal years 1994 through 1997.

Permanent recovery of certain medical costs.—This provision would extend the VA's authority to bill health insurers for care provided to insured service-disabled veterans for the treatment of non-service-connected disabilities. This authority was originally granted by P.L. 101-508, the Omnibus Budget Reconciliation Act of 1990, with a sunset date of September 30, 1993. This provision would eliminate the sunset date. CBO estimates this provision would result in collections of $171 million in fiscal year 1994 rising to $253 million in fiscal year 1997. VA has estimated that approximately $80 million was collected from insurers of service-disabled veterans in 1991. The estimate of reimbursements in 1994-1997 assumes that the collection rate for this category of veterans would increase as collection procedures are established and improved.

Permanent authority to carry out income verification.—Section 8051 of the Omnibus Budget Reconciliation Act (OBRA) of 1990 authorized access by the VA to income information reported to the Internal Revenue Service (IRS) for the purpose of verifying income reported by recipients of VA needs-based benefits. The OBRA provision is effective through September 30, 1992. This section would eliminate the expiration date on this provision. This estimate is based on data from two General Accounting Office reports, "VETERANS PENSIONS: Verifying Income with Tax Data Can Identify Significant Payment Problems" (GAO/HRD-88-24, March, 1988) and "Improving the Integrity of VA's Unemployability Compensation Program" (GAO/HRD-87-62, September, 1987). The GAO estimated that approximately $160 million was overpaid in compensation and pension benefits in 1984 that could have been identified through a match of income reports from beneficiaries and reports to the IRS from employers, financial institutions, and other organizations. This estimate assumes that the initial match of income reports, after OBRA, resulted in approximately $200 million in savings, that will continue regardless of whether future matches are performed or not. Future matches of income reports would identify new cases or erroneously reported income, and would result in estimated savings of $345 million over the five-year period.

Reduction in pension for veterans and veterans' survivors who are receiving Medicaid-covered nursing home care.—S. 2647 would eliminate the September 30, 1992 sunset date on a provision that sets a $90 limit on pensions for any veteran without a spouse or child who is receiving Medicaid coverage in a Medicaid-approved nursing home. In addition, this bill would extend the limit on benefits paid to survivor-pension recipients. Section 8003 of OBRA set a $90 limit on pension benefits paid to any veteran without a spouse or child who was receiving Medicaid coverage in a Medicaid-approved nursing home. This estimate assumes that the elimination of the expiration date would affect approximately 14,000 veterans a year, based on VA's experience with implementing, this provision to date. Extending this provision to apply to survivors would affect approximately 40,250 survivors who would have their benefits reduced from about $670 to $90 a month.

The number of veterans who had their pensions reduced as a result of the OBRA provision represented approximately 25 percent of all veteran pension recipients who receive aid and attendance allowances and who also do not have dependents. The estimate for

survivors is based on a finding contained in a GAO report entitled "Veterans' Benefits: VA Needs to Verify Medical Expenses Claimed by Pension Beneficiaries" (GAO/HRD-91-94). It is assumed that these beneficiaries are currently paid at the maximum rate for survivors without dependents who receive an additional allowance for aid and attendance, approximately $8,000 a year.

CBO estimates the veterans' pension savings (outlays) would be $317 million in fiscal year 1993 rising to $498 million in fiscal year 1997. The pension savings from this provision would be partially offset by increased federal Medicaid costs. Under current law, pension survivors are required to use their pension income to pay their nursing home costs before Medicaid will pay the balance. Because this provision would reduce the amount of pension received by these beneficiaries, Medicaid would have to pay a larger portion of their nursing home expenses. CBO estimates the Medicaid costs for this provision would be $194 million in fiscal year 1993 rising to $275 million in fiscal year 1997. The costs for administering this provision, estimated to be less than $500,000 a year, are currently authorized to be paid from the compensation and pension account. CBO estimates the net outlay savings for this provision would be $123 million rising to $223 million in fiscal year 1997.

As stated above this estimate assumes an enactment date of September 30, 1992; savings in 1993 are reduced by one-quarter because it would take at least 3 months to implement.

Other direct spending provisions.—S. 2647 has several provisions that individually and cumulatively would cost less than an estimated $500,000 annually. This estimate is a net estimate because some of the provisions save money and others cost money. The provisions would amend the educational assistance programs and would involve minor compensation and pension programs.

Authorization of appropriations

Repeal of delimiting date relating to employment and training of Vietnam era veterans.—S. 2647 would amend Chapter 42—Employment and Training of Disabled and Vietnam Era Veterans—of title 38, United States Code, to extend the period for determining who is a veteran of the Vietnam era. Under current law, no veteran may be considered a veteran of the Vietnam era after December 31, 1994. This bill would eliminate the sunset date. This amendment would affect the disabled veteran outreach program (DVOP) because the amendment would continue the need for DVOP specialists at least through fiscal year 1997.

CBO estimates the cost would be $50 million in fiscal year 1995 and $75 million each year in fiscal years 1996 and 1997. This estimate is the difference between the cost of maintaining the current level of DVOP specialists and the cost of a reduced number of specialists as required under current law. Because the current provision expires December 31, 1994, the fiscal year 1995 costs cover three-quarters of the year.

Authorization of appropriations for certain employment, job training and other assistance.—This bill would extend the transition assistance program (TAP) under section 1144 of title 10, United States Code, from fiscal year 1993 through fiscal year 1995. The bill would authorize the appropriation of $11 million for fiscal year

1993 and $8 million each year in fiscal years 1994 and 1995 to the Department of Labor and $6.5 million each year for fiscal years 1993, 1994 and 1995 to the VA. CBO estimates the spending pattern would be consistent with the current TAP program.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. The pay-as-you-go effects of the bill are as follows:

[By fiscal years, in millions of dollars]

	1993	1994	1995
Change in outlays	−140	−300	−325
Change in receipts	(1)	(1)	(1)

[1] Not applicable.

7. Estimated cost to State and local governments: The Medicaid program is jointly funded by the federal government and by state and local governments. State and local government spending would increase by an estimated $146 million, $183 million, $191 million, $199 million, and $207 million in fiscal years 1993 through 1997 respectively as a result of increasing Medicaid costs.

8. Estimate comparison: None.

9. Previous CBO estimate: CBO prepared an estimate of S. 2647 on July 15, 1992. The estimate is revised to reflect a change in the effective dates of some provisions. The change in effective dates reduced the estimated budget authority and outlays in fiscal year 1993.

10. Estimate prepared by: Cory Oltman, Mary Helen Petrus, and Kathleen Shepherd.

11. Estimate approved by: C.G. Nuckols, Assistant Director for Budget Analysis.

Regulatory Impact Statement

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee on Veterans' Affairs has made an evaluation of the regulatory impact that would be incurred in carrying out the Committee bill. The Committee finds that the Committee bill would not entail any significant regulation of individuals or businesses or, except with respect to section 402 of the Committee bill, result in any significant impact on the personal privacy of any individuals and that the paperwork resulting from enactment would be minimal. In the Committee's view, the impact on the personal privacy of VA pensioners that would result from the enactment of section 402—which would make permanent existing provisions of law giving VA access, with specific safeguards of confidentiality, to certain Internal Revenue Service and Social Security Administration data during FYs 1991 and 1992—is reasonable in light of the purpose of section 402, the prevention of erroneous payments of VA pension.

TABULATION OF VOTES CAST IN COMMITTEE

In compliance with paragraph 7 of rule XXVI of the Standing Rules of the Senate, the following is a tabulation of votes cast in person or by proxy by members on the Committee on Veterans' Affairs at a June 24, 1992, meeting. On that date, the Committee voted by a voice vote to report S. 2647 favorably to the Senate with an amendment in the nature of a substitute.

AGENCY REPORTS

On June 22, 1992, the Department of Defense submitted to the Committee its views on S. 2647 which is reprinted below:

ASSISTANT SECRETARY OF DEFENSE,
Washington, DC, June 22, 1992.

Hon. ALAN CRANSTON,
Chairman, Committee on Veterans' Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for the opportunity to provide the Department's comments on S. 2647, "Veterans' Readjustment Benefits Improvement Act of 1992."

We have recently submitted our biennial report to the Congress regarding the status, adequacy, effectiveness, and needed changes for administration of the Montgomery GI Bill (MGIB) education benefits program. The MGIB has proven effective as a recruitment incentive and has had a positive influence on educational attainment of post-service military personnel.

We believe the current MGIB benefit levels are appropriate and allow the Services to meet their accession objectives with quality recruits. While we recognize that education costs have risen since the start of the MGIB program in July 1985, we do not endorse increasing the basic benefit level as we are currently meeting our accession objectives and are enjoying strong retention. We do support the provisions contained in the "Persian Gulf Conflict Supplemental Authorization and Personnel Benefits Act of 1991," to retain the $350 monthly rate.

Our assessment of provisions proposed in S. 2647 relevant to the Department are enclosed.

Sincerely,

CHRISTOPHER JEHN.

Enclosure: As stated.

DEPARTMENT OF DEFENSE COMMENTS TO PROVISIONS IN S. 2647, VETERANS' READJUSTMENT BENEFITS IMPROVEMENT ACT OF 1992

Provision 1: Increase the Montgomery GI Bill (MGIB) basic monthly benefit for active-duty Service members from $350 to $450 and the basic monthly benefit for reservists from $170 to $200—with proportional increases for part-time study in both cases.

Comment: The Department does not support this provision. Current benefit levels are appropriate and will con-

tinue to allow the Services to meet their active and Reserve accession objectives with quality recruits.

Provision 2: Permit reservists to pursue graduate training under the MGIB.

Comment: The Department does not support this provision. Expanding benefits to include graduate training for reservists is not necessary to fulfill the statutory purpose of the MGIB for the Selected Reserve (i.e., recruitment and retention). Unlike the program for the active components (funded by the Department of Veterans' Affairs), the Department pays the bill for the Selected Reserve program. This proposal would cost at least $13 million a year in the steady state, and would do little to aid recruiting or retention since the population that would take advantage of this benefit is composed primarily of: (a) officers, who already have high retention and (b) those who already have served for a long period.

Provision 3: Permit reservists to receive tutorial assistance under the MGIB.

Comment: The Department does not support this provision. Expanding tutorial assistance under the MGIB also appears to involve an expense which is unnecessary, given current success in recruitment and retention of reservists.

Provision 4: Provide that individuals who are discharged after less than 12 months of active duty and later reenlist or later reenter on active duty are eligible to participate in the MGIB. Any reductions in basic pay during a prior period of service would be counted toward the $1,200 pay reduction required for MGIB eligibility.

Comment: The Department supports this provision. It appears reasonable to enable an individual who contributed towards the MGIB (via reductions in basic pay) during a period to active duty lasting less than 12 months, to be credited with those contributions if he or she subsequently reenlists or reenters active duty.

Provision 5: Permit active-duty participants in the MGIB to receive benefits at the same rate as veterans.

Comment: A separate and compete package of proposals for standardization of all veterans' educational benefits is currently being developed within the Executive Branch. Accordingly, a position on this proposal has yet to be determined.

Provision 6: Provide that an individual who initially serves a continuous period of at least 3 years of active duty, even though he or she was initially obligated to serve less than 3 years of active duty, is eligible for the same level of MGIB benefits as an individual whose initial obligated period of active-duty service was for 3 years of more.

Comment: The Department would not object to this provision as long as its cost were fully offset.

Provision 11: Allow a student who successfully completed a program of education with VA benefits to pursue another program of education and allow a change in the type

of training pursued if there is no change in the vocational objective.

Comment: The Department supports this provision.

Provision 14: Permit participation in the MGIB for an individual who, after September 30, 1992, receives a commission as an officer in the Armed Forces upon graduation from a military academy or upon completion of a senior ROTC program.

Comment: The Department does not support this provision. It does not comport with one of the primary purposes of the MGIB program, which is to recruit and retain quality personnel. Additionally, Section 3033 of Chapter 30 USC bars duplication of educational assistance benefits to veterans and Service members.

On May 13, 1992, Department of Veterans Affairs Chief Benefits Director D'Wayne Gray submitted testimony on S. 2647 as introduced. That testimony is reprinted below in lieu of the Department's report on this bill. In addition, Acting Assistant Secretary of Labor for Veterans' Employment and Training David S. Ritterpusch testified at the Committee's May 13 hearing in connection with the employment and training provisions contained within S. 2647 and these comments also are reprinted below:

STATEMENT OF D'WAYNE GRAY, CHIEF BENEFITS DIRECTOR, DEPARTMENT OF VETERANS AFFAIRS

Mr. Chairman and members of the committee, thank you for the opportunity to appear before this Committee to provide the views of the Department of Veterans Affairs (VA) on legislation pending before you:

* * * * * * *

Mr. Chairman, you also requested our comments on S. 2647. This measure, consisting of three titles covering educational assistance programs; vocational rehabilitation and pension programs; and job training and placement services for veterans, respectively, contains many provisions with which we agree. Nevertheless, we cannot support this measure as drafted since it includes provisions which we find unnecessary.

As further discussed below, VA supports, or has no objection to, various new provisions of this bill pertaining to the educational assistance and vocational rehabilitation programs VA administers, but cannot support certain new proposals expanding entitlement under those programs and increasing Montgomery GI Bill and vocational rehabilitation subsistence allowance rates.

Most of the provisions in S. 2647, if passed, would be subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act of 1990. In particular, the Montgomery GI Bill increase will have substantial costs that are not offset by the other provisions of the bill. Cost estimates are under development and will be provided to the Committee at a later date.

We note that S. 2647 also contains several provisions derived from VA-requested legislation pending from the first session of this Congress, as well as provisions implementing certain recommendations of the Commission on Veterans' Education Policy (CVEP) established under Public Law 99-576. We continue to support and urge prompt enactment of the VA's proposals from the last session identified in our letter of March 27, 1992. In addition, we support, with some modification, several of the CVEP recommendations incorporated in this bill.

Title I of S. 2647 consists of educational assistance program amendments. Section 101 would provide for rate increases under the MGIB-Active Duty (chapter 30) and the MGIB-Selected Reserve (chapter 106). The full-time rate for chapter 30 basic benefits would be $450 a month (a 50 percent increase over the original rate). Rates for individuals with a 2-year obligation and supplemental benefit rates would likewise increase. Members of the Selected Reserve would receive $200 per month (42.8 percent over the original rate) for full-time training.

This section further would remove the MGIB rate increases and future discretionary cost-of-living adjustments authorized by Public Law 102-25. That law, enacted just over a year ago (April 6, 1991), increased basic chapter 30 full-time assistance to $350 a month for veterans whose initial obligated period of serve was at least 3 years; $275 a month for persons whose obligation was for 2 years. The increases are effective for Fiscal Years 1992 and 1993, after which the Secretary has the discretionary authority to decide whether to maintain the increased rates, revert to the preceding rates, or further increase rates in proportion to the percentage increase in the relevant Consumer Price Index (CPI). Public Law 102-25 also increased full-time educational allowance rates under chapter 106 from $140 to $170 per month for Fiscal Years 1992 and 1993, and similarly granted the Secretary of Defense the discretionary authority to adjust such rates thereafter.

The MGIB basic educational assistance allowance is intended to help meet, in part, the expenses of the eligible individual's subsistence and educational costs during the period of his or her enrollment. Servicemembers who decide to participate are fully aware of their benefits at the time of their sign-up. High levels of participation indicate that the current benefit rates have not deterred participation. While we realize that education costs continue to increase, the Secretary currently has the authority to increase the chapter 30 rates as warranted by rising costs and need. Further, we have received no indication from the DOD that an increase such as the one contemplated by S. 2647 is needed to accomplish the military recruitment/retention purposes which have become the primary orientation of the program. Therefore, we cannot support this increase in the chapter 30 basic monthly benefit.

We defer to the views of the DOD concerning the rate increases proposed for the chapter 106 program which is within their jurisdiction.

Sections 102 and 103 of S. 2647 would permit individuals training under the MGIB chapter 106 program to pursue graduate courses and to receive tutorial assistance, respectively. We defer to the DOD for their views on these two sections.

Section 104 of S. 2647 would amend the eligibility requirements under chapter 30 to provide that a period of active duty of less than 12 months would not be counted as part of an individual's initial obligated period of service for MGIB eligibility purposes if the discharged veteran later reenlists or reenters on active duty. Any reduction in basic pay during the initial period of service would be counted toward the $1,200 pay reduction required for MGIB eligibility. This provision would avoid penalizing veterans who had to leave service after serving only a short period and who later reentered and served a full term on active duty. We have no objection to this provision.

Section 105 would permit MGIB-Active Duty participants to receive benefits at the same rate as veterans if training at one-half time or more. Due to the complexity of requirements in VA's various educational assistance programs, we are currently preparing a separate and complete package of proposals for standardizing all VA educational benefits. The Department's position is to give full support to the principle of standardization wherever appropriate. This item is among those being considered; however, the Administration's position has yet to be determined.

Sections 106 through 109 of S. 2647 are provisions derived from S. 1519, a bill which you introduced on our behalf on July 8, 1991. These provisions would equalize the MGIB benefits for the same amount of active duty served (section 106), eliminate advance payment of work-study allowance (section 107), change accredited course approval requirements (section 108), and bar VA payment of educational assistance for training paid for under the Government Employees Training Act (section 109). VA favors these provisions substantively, as long as they are offset.

As previously noted, Mr. Chairman, certain provisions of S. 2647, i.e., sections 110 through 113, are derived from recommendations of the Commission on Veterans' Education Policy. Section 110 of the proposed legislation would eliminate the recovery of advance payment of educational benefits when the eligible veteran dies prior to pursuing a course for which the payment is made. We note that, since an advance payment is used for initial expenses related to enrollment, in most instances following a claimant's death early in a term, there will be no remaining funds from the advance payment.

Section 111 would clarify the definition of "change of program" for VA education purposes. The language of the

bill provides that an individual would not be charged with a change of program if the individual successfully completes the first program; the second program leads to a vocational, educational, or professional objective in the same general field as the first program; or, the first program is a prerequisite to pursuit of the second program. In addition to these Commission recommendations, VA also endorses the Task Force advice in this area suggesting that a change of program not be charged when, after transferring from one program to another, a claimant transfers back to the original program and there is no loss of credit from the first program.

Section 112 would provide that independent study in nonaccredited degree programs would no longer be approved. Those individuals pursuing nonaccredited independent study courses on the date of enactment of this legislation who continue to meet the eligibility requirements for assistance and remain continuously enrolled would continue to receive benefits. VA agrees with the Commission's recommendation in this area and supports this section.

Section 113 would make several amendments to course measurement requirements that would eliminate the benefit differential for independent study and other nontraditional types of training in accredited undergraduate degree programs that have been approved by State approving agencies; prohibit the use of benefits for nonaccredited independent study; eliminate the standard class-session requirement; base benefit payments for concurrent pursuit of graduate and undergraduate training on the training time certified by the school, rather than the current conversion computations; replace a complex statutory measurement criteria for the payment of benefits for pursuit of courses at institutions of higher learning with a benefit based on the school's measurement system; and eliminate the benefit differential for accredited and nonaccredited, noncollege-degree courses. VA favors this simplification of the existing complex and administratively burdensome course measurement provisions.

Thus, with the one addition noted, we support the foregoing provisions implementing CVEP recommendations.

Section 114 of S. 2647 would permit up to 6 months of refresher training under chapter 35 for survivors and dependents whose education was interrupted or impeded by the disability or death of a spouse or parent who is a veteran. We support this concept, but recommend that, in lieu of this refresher training provision, the provisions authorizing remedial, refresher and deficiency courses for participants under chapters 30 and 32 (see sections 3034(a)(3) and 3241(a)(2)) likewise should apply to chapter 35 beneficiaries.

Section 115 would permit an individual who receives a commission as an officer in the Armed Forces after September 30, 1992, upon graduation from a military academy

or upon completion of a senior ROTC program (under section 2107 of title 10), to participate in the MGIB. VA does not support this provision since it does not comport with the purposes of the program; clearly, it cannot be considered a recruitment/retention device.

Section 116 would make various technical amendments to chapter 36 of title 38 and chapter 106 of title 10. We find these appropriate and support them.

Mr. Chairman, title II of S. 2647 consists of amendments to VA's Vocational Rehabilitation and Pension Programs. The first three sections of this title again derive from S. 1519.

Section 201 would amend section 1163 of title 38 to make permanent the program of trial work periods and vocational rehabilitation for certain veterans with total disability ratings authorized by that section. This voluntary program motivates service-disabled veterans awarded a total rating based on Individual Unemployability (IU) to either participate in a vocational rehabilitation program, or utilize existing skills to secure employment. Successful program pursuit protects the IU rating unless and until the veteran maintains substantially gainful employment for 12 months.

Conceptually, the trial work period feature is consistent with current rehabilitation philosophy and practice, and clearly is an essential element of the program. However, the 12-month provision retained in this proposal is excessive in terms of the extent of protection needed for program purposes. A trial work period of 6 consecutive months, as proposed in S. 1519, is sufficient and we could support this section with such change.

Section 202 would amend section 1524 of title 38 to make permanent the program of vocational training for certain veterans awarded VA pension benefits, with modifications making program participation completely voluntary. VA strongly supports this amendment, as well as the collateral provisions of section 203 of the bill which makes permanent the 3-year protection of VA health-care eligibility for veterans who lose their pension due to employment.

Section 204 of S. 2647 would increase by 10 percent the subsistence allowance for veterans with service-related disabilities who participate in a training and vocational rehabilitation program under chapter 31. The subsistence allowance was increased by 7.5 percent effective January 1, 1990. In addition, trainees enrolled in a vocational rehabilitation program are now eligible for work-study allowances. Therefore, we believe further increases are unwarranted.

Section 205 would restore entitlement to vocational rehabilitation for veterans rated 10 percent disabled who are found by VA to have a serious employment handicap. We cannot support this proposal. Instead, we would urge your consideration of the Administration's legislative proposal to limit vocational rehabilitation program entitlement to

service-disabled veterans rated 30 percent or more, which targets these extensive services to those most in need of assistance.

Mr. Chairman, section 206 of S. 2647 pertaining to the renouncement of income-based benefits and section 207 of that bill pertaining to the effective date of awards are VA-requested legislation and derive from S. 1514 and S. 1518, respectively. More particularly, section 206 would amend section 5306 to provide that, when a new claim for an income-based benefit is filed within a year of a renouncement of the benefit, benefits will be payable as if the renouncement had not occurred. Section 207 would amend section 5110 of title 38 to provide that, when an award of pension has been deferred or paid based on anticipated income, the effective date of entitlement or increase in pension shall be in accordance with the facts found if evidence is received before the expiration of the next year. VA continues to support these two provisions.

Title III of S. 2647 contains to proposals within the jurisdiction of the Department of Labor. Section 301 of title III would expand the formula for the appointment of disabled veterans' outreach program specialists to include Vietnam-era veterans, veterans who first entered on active duty after the end of the Vietnam era (May 7, 1975), and disabled veterans. Section 302 would eliminate the date by which individuals can be considered veterans of the Vietnam era for employment and training purposes. VA defers to the views of the Department of Labor as to both of these provisions.

Mr. Chairman, we appreciate the Committee's continued interest in VA-requested legislation and urge adoption of those provisions included in S. 2647.

STATEMENT OF DAVID S. RITTERPUSCH, ACTING ASSISTANT SECRETARY FOR VETERANS' EMPLOYMENT AND TRAINING

Mr. Chairman and members of the committee: I appreciate the opportunity to present the views of the Department of Labor regarding veterans' programs and policies involving Chapters 41, 42, and 43 of title 38, United States Code, and some related proposed legislation.

* * * * * * *

The surge of veterans displaced from the military and civilian jobs because of the military build-down requires us to examine new ways to deliver employment and training services effectively. We intend to take this opportunity that the military downsizing presents us, as well as the impending sunsetting on December 31, 1994, of the Vietnam-era veteran definition for the purposes of Chapter 41 and 42 of Title 38, U.S. Code, to examine our employment and training services to veterans.

I appreciate the importance of the effect the "sunsetting" will have on the Disabled Veterans' Outreach Pro-

gram and on affirmative action for Vietnam-era veterans which are monitored by my office and the Office of Federal Contract Compliance Programs, respectively. Significant quantifiable analysis of the requirements of the nation's employment and training system must be undertaken. We must review the mission and intent of the current DVOP and LVER systems. We must evaluate their capability to meet the employment and training needs of the surge of new veterans who will enter the job market in the coming few years. And we must integrate the needs of the new veterans with the needs of those veterans currently requiring employment assistance, especially disabled veterans.

With this review currently in progress, I would like to comment on the employment provisions of Senate bill S. 2647, which primarily amends the formula for the appointment of staff for the Disabled Veterans' Outreach Program and removes the "sunset" provision from the statutory Vietnam era veteran definition. The proposed formula would yield about 1,890 Disabled Veterans' Outreach Program positions as compared to the 1,885 that result from application of the current formula. Since this bill has only recently come to our attention, we cannot fully ascertain the full consequences of removing the "sunset" provision from the Vietnam-era veteran definition and the addition of post-Vietnam era veterans to the statutory formula.

While we appreciate the desire of this committee to prevent an abrupt reduction in the DVOP grants, we cannot support the provision of S. 2647 until we have fully explored alternative delivery systems and resource requirements.

CHANGES IN EXISTING LAW MADE BY S. 2647 AS REPORTED

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 10—UNITED STATES CODE

* * * * * * *

Subtitle A—General Military Law

* * * * * * *

PART II—PERSONNEL

* * * * * * *

CHAPTER 58—BENEFITS AND SERVICES FOR MEMBERS BEING SEPARATED OR RECENTLY SEPARATED

* * * * * * *

§ 1144. Employment assistance, job training assistance, and other transitional services: Department of Labor

(a) * * *

* * * * * * *

(e) FUNDING.—(1) There is authorized to be appropriated to the Department of Labor to carry out this section [$4,000,000] *$11,000,000* for fiscal year [1991] *1993* and [$9,000,000] *$8,000,000* for each of fiscal years [1992] *1994* and [1993] *1995.*

(2) There is authorized to be appropriated to the Department of Veterans Affairs to carry out this section [$1,000,000 for fiscal year 1991 and $4,000,000] *$6,500,000* for each of fiscal years [1992] *1993, 1994,* and [1993.] *1995.*

* * * * * * *

PART III—TRAINING AND EDUCATION

* * * * * * *

CHAPTER 106—EDUCATIONAL ASSISTANCE FOR MEMBERS OF THE SELECTED RESERVE

* * * * * * *

§ 2131. Educational assistance program: establishment; amount

(a) * * *

(b)(1) Except as provided in [paragraph] *paragraphs* (2) *and (3)* and subsections (d) through (g), each educational assistance program established under subsection (a) shall provide for payment by the Secretary concerned, through the Secretary of Veterans Affairs, to each person entitled to educational assistance under this chapter who is pursuing a program of education of an educational assistance allowance at the following rates:

(A) $140 per month for each month of full-time pursuit of a program of education;

(B) $105 per month for each month of three-quarter-time pursuit of a program of education;

(C) $70 per month for each month of half-time pursuit of a program of education; and

(D) an appropriately reduced rate, as determined under regulations which the Secretary of Veterans Affairs shall prescribe, for each month of less than half-time pursuit of a program of education, except that no payment may be made to a person for less than half-time pursuit if tuition assistance is otherwise available to the person for such pursuit from the military department concerned.

* * * * * * *

(3) Notwithstanding the determination of the Secretary with respect to a fiscal year to pay the monthly rates of educational assist-

ance otherwise provided for under this subsection, the monthly rates payable for that fiscal year shall be the rates that the Secretary determines to pay under this subsection plus the following:

(A) $25, in the case of full-time pursuit of a program of education.

(B) $18.75, in the case of three-quarter-time pursuit of a program of education.

(C) $12.50, in the case of half-time pursuit of a program of education.

(D) An appropriately reduced amount, as determined under the regulations referred to in paragraph (1)(D) and subject to the restriction described in that paragraph, in the case of less than half-time pursuit of a program of education.

(c)(1) * * *

(2) Subject to section [1795] *3695* of title 38, the maximum number of months of educational assistance that may be provided to any person under this chapter is 36 (or the equivalent thereof in part-time educational assistance).

(3)(A) Notwithstanding any other provision of this chapter or chapter 36 of title 38, any payment of an educational assistance allowance described in subparagraph (B) of this paragraph shall not—

(i) be charged against the entitlement of any individual under this chapter; or

(ii) be counted toward the aggregate period for which section [1795] *3695* of title 38 limits an individual's receipt of assistance.

* * * * * * *

(C) The period for which, by reason of this subsection, an educational assistance allowance is not charged against entitlement or counted toward the applicable aggregate period under section [1795] *3695* of title 38 shall not exceed the portion of the period of enrollment in the course or courses of which the individual failed to receive credit or with respect to which the individual lost training time, as determined under subparagraph (B)(ii) of this paragraph.

* * * * * * *

(g)(1) Each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 2136(c) of this title shall be paid an educational assistance allowance under this chapter in the amount equal to 60 percent of the established charges for tuition and fees [(other than tuition and fees charged for or attributable to solo flying hours)] which similarly circumstanced nonveterans enrolled in the same flight course are required to pay.

* * * * * * *

(h)(1)(A) Subject to subparagraph (B), the Secretary of Veterans Affairs shall approve individualized tutorial assistance for any person entitled to educational assistance under this chapter who—

(i) is enrolled in and pursuing a postsecondary course of education on a half-time or more basis at an educational institution; and

(ii) has a deficiency in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, the program of education.

(B) The Secretary of Veterans Affairs shall not approve individualized tutorial assistance for a person pursuing a program of education under this paragraph unless such assistance is necessary for the person to successfully complete the program of education.

(2)(A) Subject to subparagraph (B), the Secretary concerned, through the Secretary of Veterans Affairs, shall pay to a person receiving individualized tutorial assistance pursuant to paragraph (1) a tutorial assistance allowance. The amount of the allowance payable under this paragraph may not exceed $100 for any month, nor aggregate more than $1,200. The amount of the allowance paid under this paragraph shall be in addition to the amount of educational assistance allowance payable to a person under this chapter.

(B) A tutorial assistance allowance may not by paid to a person under this paragraph until the educational institution at which the person is enrolled certifies that—

(i) the individual tutorial assistance is essential to correct a deficiency of the person in a subject required as a part of, or which is prerequisite to, or which is indispensable to the satisfactory pursuit of, an approved program of education;

(ii) the tutor chosen to perform such assistance is qualified to provide such assistance and is not the person's parent, spouse, child (whether or not married or over eighteen years of age), brother, or sister; and

(iii) the charges for such assistance do not exceed the customary charges for such tutorial assistance.

(3)(A) A person's period of entitlement to educational assistance under this chapter shall be charged only with respect to the amount of tutorial assistance paid to the person under this subsection in excess of $600.

(B) A person's period of entitlement to educational assistance under this chapter shall be charged at the rate of one month for each amount of assistance paid to the individual under this section in excess of $600 that is equal to the amount of the monthly educational assistance allowance which the person is otherwise eligible to receive for full-time pursuit of an institutional course under this chapter.

* * * * * * *

§ 2133. Time limitation for use of entitlement

(a) * * *

(b)(1) * * *

(2) The provisions of section [1431(f)] *3031(f)* of title 38 shall apply to the period of entitlement prescribed by subsection (a).

(3) The provisions of section [1431(d)] *3031(d)* of title 38 shall apply to the period of entitlement prescribed by subsection (a) in the case of a disability incurred in or aggravated by service in the Selected Reserve.

* * * * * * *

§ 2136. Administration of program

(a) * * *

(b) Except as otherwise provided in this chapter, the provisions of sections [1670, 1671, 1673, 1674, 1676, 1682(g), 1683, and 1685] *3470, 3471, 3474, 3476, 3682(g), 3683, and 3685* of title 38 and the provisions of subchapters I and II of chapter 36 of such title (with the exception of sections [1780(c), 1786(a), 1787, and 1792)] *3686(a), 3687, and 3692)* shall be applicable to the provision of educational assistance under this chapter. The term "eligible veteran" and the term "a person", as used in those provisions, shall be deemed for the purpose of the application of those provisions to this chapter to refer to a person eligible for educational assistance under this chapter.

(c)(1) The Secretary of Veterans Affairs may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section [1673(b)] *3679A(b)* of title 38) by an individual entitled to educational assistance under this chapter if—

(A) such training is generally accepted as necessary for the attaiment of a recognized vocational objective in the field of aviation;

(B) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

(C) the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

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TITLE 38—UNITED STATES CODE

* * * * * * *

PART II—GENERAL BENEFITS

* * * * * * *

CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED DISABILITY OR DEATH

* * * * * * *

SUBCHAPTER VI—GENERAL COMPENSATION PROVISIONS

1151. Benefits for persons disabled by treatment or vocational rehabilitation.
1152. Persons heretofore having a compensable status.
1153. Aggravation.
1154. Consideration to be accorded time, place, and circumstances of service.
1155. Authority for schedule for rating disabilities.
1156. [REPEALED.]
1157. Combination of certain ratings.
1158. Disappearance.
1159. Protection of service connection.
1160. Special consideration for certain cases of loss of paired organs or extremities.
1161. Payment of disability compensation in disability severance cases.

1162. Clothing allowance.
1163. [Temporary program for trial] *Trial* work periods and vocational rehabilitation for certain veterans with total disability ratings.

* * * * * * *

Subchapter VI—General Compensation Provisions

* * * * * * *

§ 1163. [Temporary program for trial] *Trial* work periods and vocational rehabilitation for certain veterans with total disability ratings

(a)(1) The disability rating of a qualified veteran who begins to engage in a substantially gainful occupation [during the program period] *after January 31, 1985,* may not be reduced on the basis of the veteran having secured and followed a substantially gainful occupation unless the veteran maintains such an occupation for a period of 12 consecutive months.

[(2) For purposes of this section:

[(A) The term "qualified veteran" means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure or follow a substantially gainful occupation as a result of such disbility or disabilities.

[(B) The term "program period" means the period beginning on February 1, 1985, and ending on January 31, 1992.]

(2) For the purposes of this section, the term "qualified veteran" means a veteran who has a service-connected disability, or service-connected disabilities, not rated as total but who has been awarded a rating of total disability by reason of inability to secure or follow a substantially gainful occupation as a result of such disability or disabilities.

(b) [During the program period, the] *The* Secretary shall make counseling services described in section 3104(a)(2) of this title and placement and postplacement services described in section 3104(a)(5) of this title available to each qualified veteran (whether or not the veteran is participating in a vocational rehabilitation program under chapter 31 of this title).

(c)(1) In the case of each award [during the program period] *after January 31, 1985,* of a rating of total disability described in subsection [(a)(2)(A)] *(a)(2)* of this section to a veteran, the Secretary shall provide to the veteran, at the time that notice of the award is provided to the veteran, a statement providing—

(A) notice of the provisions of this section;

(B) information explaining the purposes and availability of and eligibility for, and the procedures for pursuing, a vocational rehabilitation program under chapter 31 of this title; and

(C) a summary description of the scope of services and assistance available under that chapter.

* * * * * * *

CHAPTER 15—PENSION FOR NON-SERVICE-CONNECTED DISABILITY OR DEATH OR FOR SERVICE

* * * * * * *

SUBCHAPTER II—VETERANS' PENSIONS

Service Pension

1511. Indian War veterans.
1512. Spanish-American War veterans.

Non-Service-Connected Disability Pension

1521. Veterans of a period of war.
1522. Net worth limitation.
1523. Combination of ratings.
1524. [Temporary program of vocational] *Vocational* training for certain [new] pension recipients.
1525. [Temporary protection] *Protection* of health-care eligibility.

* * * * * * *

Subchapter II—Veterans' Pensions

* * * * * * *

NON-SERVICE-CONNECTED DISABILITY PENSION

* * * * * * *

§ 1524. [Temporary program of vocational] *Vocational* training for certain [new] pension recipients

[(a)(1) Subject to paragraph (3) of this subsection, in the case of a veteran under the age of 45 who is awarded pension during the program period, the Secretary shall determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such determination shall be made only after evaluation of the veteran's potential for rehabilitation, and any such evaluation shall include a personal interview of the veteran by a Department employee who is trained in vocational counseling. If the veteran fails, for reasons other than those beyond the veteran's control, to participate in the evaluation in the manner required by the Secretary in order to make such determination, the Secretary shall suspend the veteran's pension for the duration of such failure.

[(2) Subject to paragraph (3) of this subsection, if a veteran who is 45 years of age or older and is awarded pension during the program period, or a veteran who was awarded pension before the beginning of the program period, applies for vocational training under this section and the Secretary makes a preliminary finding on the basis of information in the application that, with the assistance of a vocational training program under subsection (b) of this section, the veteran has a good potential for achieving employment, the Secretary shall provide the veteran with an evaluation in order to determine whether the achievement of a vocational goal by the veteran is reasonably feasible. Any such evaluation shall include a personal interview by a Department employee trained in vocational counseling.

[(3) Not more than 3,500 veterans may be given evaluations under this subsection during any 12-month period beginning on February 1 of a year.

[(4) For the purposes of this section, the term "program period" means the period beginning on February 1, 1985, and ending on January 31, 1992.]

(a)(1) A veteran who has been awarded pension under this chapter may submit to the Secretary an application for vocational training under this section.

(2) Subject to paragraph (4) of this subsection, upon the submittal of an application by a veteran under paragraph (1) of this subsection, the Secretary shall—

(A) make a preliminary finding (on the basis of information contained in the application or otherwise in the possession of the Secretary) whether the veteran has good potential for achieving employment after pursuing a vocational training program under this section; and

(B) if the Secretary makes a preliminary finding that the veteran has such potential, provide the veteran with an evaluation to determine whether the veteran's achievement of a vocational goal is reasonably feasible.

(3) An evaluation of a veteran under subparagraph (B) of paragraph (2) shall include a personal interview of the veteran carried out by a Department employee who is trained in vocational counseling (as determined by the Secretary) unless the Secretary determines that such an evaluation is not feasible or is not necessary to make the determination referred to in that subparagraph.

(b)(1) * * *

* * * * * * *

(4) A veteran may not begin pursuit of a vocational training program until this subsection after [the later of (A) January 31, 1992, or (B)] the end of a reasonable period of [time, as] *time (as* determined by the [Secretary,] *Secretary)* following [either] the evaluation of the veteran under subsection [(a) of this section or the award of pension to the veteran as described in section (a)(2)] *(a)(2)(B)* of this section. Any determination by the Secretary of such reasonable period of time shall be made pursuant to regulations with the Secretary shall prescribe.

* * * * * * *

§ 1525. [Temporary protection] *Protection* of health-care eligibility

(a) In the case of veteran whose entitlement to pension is terminated [during the program period] *after January 31, 1985,* by reason of income from work or training, the veteran shall retain for a period of three years beginning on the date of such termination all eligibility for care and services under such chapter that the veteran would have had if the veteran's entitlement to pension had not been terminated. Care and services for which such a veteran retains eligibility include, when applicable, drugs and medicines under section 1712(h) of this title and special priority with respect to such care and services under clauses (5) and (6) of section 1712(i).

[(b) For the purposes of this section:

[(1) The term "terminated by reason of income for work or training" means terminated as a result of the veteran's receipt

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of earnings from activity performed for remuneration or gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.

[(2) The term "program period" means the period beginning on February 1, 1985, and ending on January 31, 1992.]

(b) For the purposes of this section, the term "terminated by reason of income from work or training" means terminated as a result of the veteran's receipt of earning from activity performed for renumeration or with gain, but only if the veteran's annual income from sources other than such earnings would, taken alone, not result in the termination of the veteran's pension.

* * * * * * *

CHAPTER 17—HOSPITAL, NURSING HOME, DOMICILIARY, AND MEDICAL CARE

* * * * * * *

Subchapter III—Miscellaneous Provisions Relating to Hospital and Nursing Home Care and Medical Treatment of Veterans

* * * * * * *

§ 1729. Recovery by the United States of the cost of certain care and services

(a)(1) * * *

(2) Paragraph (1) of this subsection applies to a non-service-connected disability—

(A) that is incurred incident to the veteran's employment and that is covered under workers' compensation law or plan that provides for payment for the cost of health care and services provided to the veteran by reason of the disability;

(B) that is incurred as the result of a motor vehicles accident to which applies a State law that requires the owners or operators of motor vehicles registered in that State to have in force automobile accident reparations insurance;

(C) that is incurred as the result of a crime of personal violence that occurred in a State, or a political subdivision of a State, in which a person injured as the result of such a crime is entitled to receive health care and services at such State's or subdivision's expense for personal injuries suffered as the result of such crime;

(D) that is incurred by a veteran—

(i) who does not have a service-connected disability; and

(ii) who is entitled to care (or payment of the expense of care) under a health-plan contract; or

(E) for which care and services are furnished [before October 1, 1993,] under this chapter to a veteran who—

(i) has a service-connected disability; and

(ii) is entitled to care (or payment of the expenses of care) under a health-plan contract.

* * * * * * *

PART III—READJUSTMENT AND RELATED BENEFITS

* * * * * * *

CHAPTER 30—ALL-VOLUNTEER FORCE EDUCATIONAL ASSISTANCE PROGRAM

* * * * * * *

Subchapter II—Basic Educational Assistance

§ 3011. Basic educational assistance entitlement for service on active duty

(a) * * *

* * * * * * *

(b)*(1)* The basic pay of any individual described in subsection (a)(1)(A) of this section who does not make an election under subsection (c)(1) of this section shall be reduced by $100 for each of the first 12 months that such individual is entitled to such pay. Any amount by which the basic pay of an individual is reduced under this chapter shall revert to the Treasury and shall not, for purposes of any Federal law, be considered to have been received by or to be within the control of such individual.

(2)(A) The number of months of basic pay of a member referred to in subparagraph (B) of this paragraph that shall be reduced under paragraph (1) of this subsection shall be 12 minus the number of months that the member's basic pay was so reduced during the member's preceding period or periods of active duty.

(B) Subparagraph (A) of this paragraph applies to a member of the Armed Forces—

(i) whose basic pay was reduced under paragraph (1) of this subsection for any period of active duty service referred to in subsection (e)(2)(A) of this section served by the member; and

(ii) who does not make an election under subsection (c)(1) of this section upon such reenlistment or reentry.

(c)(1) * * *

(2) An individual who after December 31, 1976, *but before October 1, 1992,* receives a commission as an officer in the Armed Forces upon graduation from the United States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the Coast Guard Academy or upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section.

* * * * * * *

(e)(1) For the purposes of this chapter, a member referred to in paragraph (2) of this subsection who serves the period of active duty referred to in that paragraph shall be deemed to have served a continuous period of active duty whose length is the aggregate length of the periods of active duty referred to in that paragraph.

(2) This subsection applies to a member who—

(A) after a period of continuous active duty of not more than 12 months, is discharged or released from active duty under clause (I) or (III) of subsection (a)(1)(A)(ii) of this section; and

(B) after such discharge or release, reenlists or re-enters on a period of active duty.

(f) Notwithstanding section 3002(6)(A) of this title, a period during which an individual is assigned full time by the Armed Forces to a civilian institution for a course of education as described in such section 3002(6)(A) shall not be considered a break in service or a break in a continuous period of active duty of the individual for the purposes of this chapter.

§ 3012. Basic educational assistance entitlement for service in the Selected Reserve

(a) * * *

* * * * * * *

(d)(1) * * *

(2) An individual who after December 31, 1976, *but before October 1, 1992,* receives a commission as an officer in the Armed Forces upon graduation from the Untied States Military Academy, the United States Naval Academy, the United States Air Force Academy, or the Coast Guard Academy or upon completion of a program of educational assistance under section 2107 of title 10 is not eligible for educational assistance under this section.

* * * * * * *

§ 3015. Amount of basic educational assistance

(a) The amount of payment of educational assistance under this chapter is subject to section 3032 of this title. Except as otherwise provided in subsections (b), (c), (d), (e), [and (f)] *(f), (g), and (h)* of this section, a basic educational assistance allowance under this subchapter shall be paid—

(1) at the monthly rate of $300 for an approved program of education pursued on a full-time basis: or

(2) at an appropriately reduced rate, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.

(b) Except as provided in subsections (c), (d), (e), [and (f),] *(f), (g), and (h),* in the case of an individual entitled to an educational assistance allowance under section 3011 or 3018 of this title and whose initial obligated period of active duty is two years, a basic educational assistance allowance under this chapter shall be paid—

(1) at the monthly rate of $250 for an approved program of education pursued on a full-time basis; or

(2) at an appropriately reduced rate, as determined under regulations which the Secretary shall prescribe, for an approved program of education pursued on less than a full-time basis.

(c)(1) The amount of basic educational allowance payable under this chapter to an individual referred to in paragraph (2) of this

subsection is the amount determined under subsection (a) of this section.

(2) Paragraph (1) of this subsection applies to an individual entitled to an educational assistance allowance under section 3011 of this title—

(A) whose initial obligated period of active duty is less than three years;

(B) who, beginning on the date of the commencement of the persons's initial obligated period of such duty, serves a continuous period of active duty of not less than three years; and

(C) who, after the completion of that continuous period of active duty, meets one of the conditions set forth in subsection (a)(3) of such section 3011.

[(c)] *(d)* In the case of an individual who has a skill or specialty designated by the Secretary concerned as a skill or specialty in which there is a critical shortage of personnel or for which it is difficult to recruit, the Secretary concerned, pursuant to regulations to be prescribed by the Secretary of Defense, may increase the rate of the basic educational assistance allowance applicable to such individual to such rate in excess of the rate prescribed under subsections [(a) and (b)] *(a), (b), and (c)* of this section as the Secretary of Defense considers appropriate, but the amount of any such increase may not exceed $400 per month, in the case of an individual who first became a member of the Armed Forces before November 29, 1989, or $700 per month, in the case of an individual who first became a member of the Armed Forces on or after that date.

[(d)(1)] *(e)(1)* Subject to paragraph (2) of this subsection, in the case of an individual who on December 31, 1989, was entitled to educational assistance under chapter 34 of this title, the rate of the basic educational assistance allowance applicable to such individual under this chapter shall be increased by the amount equal to one-half of the educational assistance allowance that would be applicable to such individual under such chapter 34 (as of the time the assistance under this chapter is provided and based on the rates in effect on December 31, 1989) if such chapter were in effect.

* * * * * * *

[(e)] *(f)* In the case of an individual for whom the Secretary of Defense made contributions under section 3222(c) of this title and who is entitled to educational assistance under section 3018A of this chapter, the Secretary shall increase the rate of the basic educational assistance allowance applicable to such individual in excess of the rate provided under subsection (a) of this section in a manner consistent with, as determined by the Secretary of Defense, the agreement entered into with such individual pursuant to the rules and regulations issued by the Secretary of Defense under section 3222(c) of this title.

[(f)(1)] *(g)(1)* During the period beginning on October 1, 1991, and ending on September 30, 1993, the monthly rates payable under subsection (a)(1) or (b)(1) of this section shall be $350 and $275, respectively.

* * * * * * *

(h) Notwithstanding the determination of the Secretary with respect of a fiscal year to pay the monthly rates of educational assistance otherwise provided for under this section, the monthly rates payable for that fiscal year shall be the rates that the Secretary determines to pay under this section plus the following:

(1) In the case of an individual whose educational assistance would otherwise be determined under subsection (a) of this section—

(A) $50, for an approved program of education pursued on a full-time basis; or

(B) an appropriately reduced amount (as determined under regulations prescribed by the Secretary under paragraph (2) of such subsection (a)), for an approved program of education pursued on less than a full-time basis.

(2) In the case of an individual whose educational assistance would otherwise be determined under subsection (b) of this section—

(A) $40, for an approved program of education pursued on a full-time basis; or

(B) an appropriately reduced amount (as determined under regulations prescribed by the Secretary under paragraph (2) of such subsection (b)), for an approved program of education pursued on less than a full-time basis.

* * * * * * *

§ 3018. Opportunity for certain active-duty personnel to withdraw election not to enroll

(a) * * *

* * * * * * *

(b) An individual described in clauses (1) through (3) of subsection (a) of this section who made an election under section 3011(c)(1) or (3012(d)(1) of this title and who—

(1) while serving on active duty during the open period, makes a withdrawal of such an election;

(2) continues to serve the period of service which, at the beginning of the open period such individual was obligated to serve;

(3)(A) serves the obligated period of service described in clause (2) of this subsection;

(B) before completing such obligated period of service, is discharged or released from active duty for (i) a service-connected disability, (ii) a medical condition which preexisted such service and which the Secretary determines is not service connected, **[**or**]** (iii) **[**hardship;**]** *hardship, or (iv) a physical or mental condition that was not characterized as a disability and did not result from the individual's own willful misconduct but did interfere with the individual's performance of duty, as determined by the Secretary of each military department in accordance with regulations prescribed by the Secretary of Defense (or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service of the Navy;* or

(C) before completing such obligated period of service, is (i) discharged or released from active duty for the convenience of the Government after completing not less than 20 months of such period of service, if such period was less than three years, or 30 months, if such period was at least three years, or (ii) involuntarily discharged or released from active duty for the convenience of the Government as a result of a reduction in force, as determined by the Secretary concerned in accordance with regulations prescribed by the Secretary of Defense;

(4) before completing such obligated period of service (i) has completed the requirements of a secondary school diploma (or an equivalency certificate), or (ii) has successfully completed the equivalent of 12 semester hours in a program of education leading to a standard college degree; and

(5) upon completion of such obligated period of service—

(A) is discharged from service with an honorable discharge, is placed on the retired list, is transferred to the Fleet Reserve or Fleet Marine Corps Reserve, or is placed on the temporary disability retired list;

(B) continues on active duty; or

(C) is released from active duty for further service in a reserve component of the Armed Forces after service on active duty characterized by the Secretary concerned as honorable service.

is entitled to basic educational assistance under this chapter.

* * * * * * *

Subchapter IV—Time Limitation for use of Eligibility and Entitlement; General and Administrative Provisions

* * * * * * *

§ 3032. Limitations on education assistance for certain individuals

[(a) In the case of an individual entitled to educational assistance under this chapter who is pursuing a program of education—

[(1) while on active duty; or

[(2) on less than a half-time basis,

the amount of the monthly educational assistance allowance payable to such individual under this chapter is the amount determined under subsection (b) of this section.]

(a) The amount of the monthly educational assistance allowance payable to an individual entitled to educational assistance under this chapter who pursues a program of education on less than half-time basis is the amount determined under subsection (b) of this section.

* * * * * * *

(f)(1) Notwithstanding subsection (a) of this section, each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 3034(d) of this title shall be paid an educational assistance allowance under this chapter in the amount equal to 60 percent of the established charges for tuition and fees [other than tuition and fees charged for or attributable to solo flying hours)] which simi-

larly circumstanced nonveterans enrolled in the same flight course are required to pay.

* * * * * * *

§ 3034. Program administration

(a)(1) Except as otherwise provided in this chapter, the provisions of section 3470, 3471, [3473,] 3474, 3476, 3482(g), 3483, and 3485 of this title and the provisions of subchapters I and II of chapter 36 of this title (with the exception of sections 3680(c), 3680(f), 3686(a), and 3687) shall be applicable to the provision of educational assistance under this chapter.

* * * * * * *

(d)(1) The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section [3473(b)] *3679(b)* of this title) by an individual entitled to basic educational assistance under this chapter if—

(A) such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

(B) the individual possesses a valid private pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

(C) the flight school courses meets Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

* * * * * * *

CHAPTER 31—TRAINING AND REHABILITATION FOR VETERANS WITH SERVICE—CONNECTED DISABILITIES

* * * * * * *

§ 3102. Basic entitlement

A person shall be entitled to a rehabilitation program under the terms and conditions of this chapter [if such person—] *if*—

[(1)(A) is a veteran who has a service-connected disability which is, or but for the receipt of retired pay would be, compensable at a rate of 20 percent of more under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940, or (B) is hospitalized or receiving outpatient medical care, services, or treatment for a service-connected disability pending discharge from the active military, naval, or air service, and the Secretary determines that (1) the hospital (or other medical facility) providing the hospitalization, care, services, or treatment either is doing so under contract or agreement with the Secretary concerned or is under the jurisdiction of the Secretary of Veterans Affairs or the Secretary concerned, and (ii) the person is suffering from a disability which will likely be compensate at a rate of 20 percent or more under chapter 11 of this title; and

[(2) is determined by the Secretary to be in need of rehabilitation because of an employment handicap.]

(1) the person is—

(A)(i) a veteran who has a service-connected disability which is, or but for the receipt of retire pay would be, compensable at a rate of 20 percent or more under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; or

(ii) hospitalized or receiving outpatient medical care, services, or treatment for a service-connected disability pending discharge from the active military, naval, or air service, and the Secretary determines that—

(I) the hospital (or other medical facility) providing the hospitalization, care, services, or treatment is doing so under contract or agreement with the Secretary concerned, or is under jurisdiction of the Secretary of Veterans Affairs or the Secretary concerned; and

(II) the person is suffering from a disability which will likely be compensable at a rate of 20 percent or more under chapter 11 of this title; and.

(B) determined by the Secretary to be in need of rehabilitation because of an employment handicap; or

(2) the person is a veteran who—

(A) has a service-connected disability which is, or but for the receipt of retire pay would be, compensable at a rate of 10 percent under chapter 11 of this title and which was incurred or aggravated in service on or after September 16, 1940; and

(B) has a serious employment handicap.

* * * * * * *

§ 3108. Allowances

(a)(1) * * *

* * * * * * *

(b) Except as otherwise provided in this section, the Secretary shall determine the subsistence allowance to be paid to a veteran under this chapter in accordance with the following table, which shall be the monthly amount shown in column II, III, IV, or V (whichever is applicable as determined by the veteran's dependency status) opposite the appropriate type of program being pursued as specified in column I:

[

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	$333	$413	$486	$35
Three-quarter-time	250	310	364	27
Half-time	167	207	244	18

]

Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
Farm cooperative, apprentice, or other on-job training:				
Full-time	291	352	405	26
Extended evaluation:				
Full-time	333	413	486	35
Independent living training:				
Full-time	333	413	486	35
Three-quarter-time	250	310	364	27
Half-time	167	207	244	18

Column I	*Column II*	*Column III*	*Column IV*	*Column V*
Type of program	*No dependents*	*One dependent*	*Two dependents*	*More than two dependents*
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional training:				
Full-time	*$366*	*$454*	*$535*	*$39*
Three-quarter-time	*275*	*341*	*400*	*30*
Half-time	*184*	*228*	*268*	*20*
Farm cooperative, apprentice, or other on-job training:				
Full-time	*320*	*387*	*446*	*29*
Extended evaluation:				
Full-time	*366*	*454*	*535*	*39*
Independent living training:				
Full-time	*366*	*454*	*535*	*39*
Three-quarter-time	*275*	*341*	*400*	*30*
Half-time	*184*	*228*	*268*	*20*

* * * * * * *

CHAPTER 32—POST-VIETNAM ERA EDUCATIONAL ASSISTANCE

* * * * * * *

Subchapter III—Entitlement; Duration

§ 3231. Entitlement; loan eligibility

(a)(1) * * *

* * * * * * *

(f)(1) Subject to subsection (a)(1) of this section, each individual who is pursuing a program of education consisting exclusively of flight training approved as meeting the requirements of section 3241(b) of this title shall be paid educational assistance under this chapter in the amount equal to 60 percent of the established charges for tuition and fees **[**(other than tuition and fees charged for or attributable to solo flying hours)**]** which similarly circum-

stanced nonveterans enrolled in the same flight course are required to pay.

* * * * * * *

Subchapter IV—Administration

§ 3241. Requirements

(a)(1) The provisions of sections 3470, 3471, [3473,] 3474, 3476, 3483, 3485, and 3491(a)(1) of this title and the provisions of chapter 36 of this title (with the exception of section 3687) shall be applicable with respect to individuals who are pursuing programs of education while serving on active duty.

* * * * * * *

(b)(1) The Secretary may approve the pursuit of flight training (in addition to a course of flight training that may be approved under section [3473(b)] *3679A(b)* of this title) by an individual entitled to basic educational assistance under this chapter if—

(A) such training is generally accepted as necessary for the attainment of a recognized vocational objective in the field of aviation;

(B) the individual possesses a valid pilot's license and meets the medical requirements necessary for a commercial pilot's license; and

(C) the flight school courses meet Federal Aviation Administration standards for such courses and are approved by the Federal Aviation Administration and the State approving agency.

* * * * * * *

(c) The provisions of sections 1663, 3470, 3471, [3473,] 3474, 3476, 3483, and 3491(a) (other than clause (1)) of this title and the provisions of chapter 36 of this title (with the exception of section 3687) shall be applicable with respect to individuals who are pursuing programs of education following discharge or release from active duty.

* * * * * * *

CHAPTER 34—VETERANS' EDUCATIONAL ASSISTANCE

* * * * * * *

SUBCHAPTER III—ENROLLMENT

3470. Selection of program.
3471. Applications; approval.
[3473. Disapproval of enrollment in certain courses.]
3474. Discontinuance for unsatisfactory conduct or progress.
3475. [REPEALED.]
3476. Education outside the United States.
3477. [REPEALED.]
3478. [REPEALED.]

* * * * * * *

[3473. Disapproval of enrollment in certain courses

[(a) The Secretary shall not approve the enrollment of an eligible veteran in—

[(1) any bartending course or personality development course;

[(2) any sales or sales management course which does not provide specialized training within a specific vocational field;

[(3) any type of course which the Secretary finds to be avocational or recreational in character (or the advertising for which the Secretary finds contains significant avocational or recreational themes) unless the veteran submits justification showing that the course will be of bona fide use in the pursuit of the veteran's present or contemplated business or occupation; or

[(4) any independent study program except one leading to a standard college degree.

[(b) The Secretary shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

[(c) The Secretary shall not approve the enrollment of an eligible veteran in any course to be pursued by radio or by open circuit television, except that the Secretary may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through open circuit television.

[(d)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall not approve the enrollment of any eligible veteran, not already enrolled, in any course for any period during which the Secretary finds that more than 85 percent of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or by the Department of Veterans Affairs under this title or under chapter 106 of title 10. The Secretary may waive the requirements of this subsection, in whole or in part, if the Secretary determines, pursuant to regulations which the Secretary shall prescribe, it to be in the interest of the eligible veteran and the Federal Government. The provisions of this subsection shall not apply to any course offered by an educational institution if the total number of veterans and persons receiving assistance under this chapter or chapter 30, 31, 32, 35, or 36 of this title under chapter 106 of title 10 who are enrolled in such institution equals 35 percent or less, or such other per centum as the Secretary prescribes in regulations, of the total student enrollment at such institution (computed separately for the main campus and any branch or extension of such institution), except that the Secretary may apply the provisions of this subsection with respect to any course in which the Secretary has reason to believe that the enrollment of such veterans and persons may be in excess of 85 percent of the total student enrollment in such course.

[(2) Paragraph (1) of this subsection—

[(A) does not (except as provided in section 3491(c) of this title) apply with respect to the enrollment of a veteran in a course offered pursuant to subchapter V of this chapter;

[(B) does not apply with respect to the enrollment of a veteran in a farm cooperative training course; and

[(C) does not apply with respect to the enrollment of a veteran in a course described in section 3689(b)(6) of this title.]

* * * * * * *

Subchapter IV—Payments to Eligible Veterans; Veteran-Student Services

* * * * * * *

§ 3485. Work-study allowance

(a)(1) Individuals utilized under the authority of subsection (b) of this section shall be paid an additional educational assistance allowance (hereafter referred to as "work-study allowance"). Such work-study allowance shall be paid in an amount equal to the applicable hourly minimum wage times the number of hours worked during the applicable period, in return for such individual's agreement to perform services, during or between periods of enrollment, aggregating not more than a number of hours equal to 25 times the number of weeks in the semester or other applicable enrollment period, required in connection with (A) the outreach services program under subchapter II of chapter 77 of this title as carried out under the supervision of a Department of Veterans Affairs employee, (B) the preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the Department of Veterans Affairs, (C) the provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, (D) any other activity of the Department of Veterans Affairs as the Secretary shall determine appropriate, or (E) in the case of an individual who is receiving educational assistance under chapter 106 of title 10, activities relating to the administration of such chapter at Department of Defense, Coast Guard, or National Guard facilities. An individual shall be paid in advance an amount equal to 40 [per centum] *percent* of the total amount of work-study allowance agreed to paid under the agreement in return for the individual's agreement to perform the number of hours of work specified in the [agreement.] *agreement (but not more than an amount equal to 50 times the applicable hourly minimum wage).*

* * * * * * *

CHAPTER 35—SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

* * * * * * *

Subchapter III—Program of Education

* * * * * * *

§ 3523. Disapproval of enrollment in certain courses

(a) The Secretary shall not approve the enrollment of an eligible person in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field;

(3) any type of course which the Secretary finds to be avocational or recreational in character (or the advertising for which the Secretary finds contains significant avocational or recreational themes) unless the eligible person submits justification showing that the course will be of bona fide use in the pursuit of the person's present or contemplated business or occupation; or

(4) any independent study program except [one] *an accredited independent study program* leading to a standard college degree.

* * * * * * *

Subchapter IV—Payments to Eligible Persons

* * * * * * *

§ 3532. Computation of educational assistance allowance

(a)(1) * * *

* * * * * * *

(c)(1) * * *

* * * * * * *

[(3) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing an independent study program which leads to a standard college degree shall be computed at the rate provided in subsection (a)(2) of this section for less than half-time but more than quarter-time pursuit. If the entire training is to be pursued by independent study, the amount of the eligible person's entitlement to educational assistance under this chapter shall be charged in accordance with the rate at which such person is pursuing the independent study program but at not more than the rate at which such entitlement is charged for pursuit of such program on less than a half-time basis. In any case in which independent study is combined with resident training, the educational assistance allowance shall be paid at the applicable institutional rate based on the total training time determined by adding the number of semester hours (or the equivalent thereof) of resident training to the number of semester hours (or the equivalent thereof) of independent study that do not exceed the number of semester hours (or the equivalent thereof) required for the less than half-time institutional rate, as determined by the Secretary, for resident training. An eligible person's entitlement shall be charged for a combination of independent study and resident training on the basis of the applicable monthly training time rate as determined under section 3688 of this title.

[(4) The monthly educational assistance allowance to be paid on behalf of an eligible person pursuing a course in part by open circuit television shall be computed in the same manner that such al-

lowance is computed under paragraph (3) of this subsection for an independent study program.]

* * * * * * *

CHAPTER 36—ADMINISTRATION OF EDUCATIONAL BENEFITS

SUBCHAPTER I—STATE APPROVING AGENCIES

Sec.
3670. Scope of approval.
3671. Designation.
3672. Approval of courses.
3673. Cooperation.
3674. Reimbursement of expenses.
3674A. Evaluations of agency performance; qualifications and performance of agency personnel.
3675. Approval of accredited courses.
3676. Approval of nonaccredited courses.
3677. Approval of training on the job.
3678. Notice of approval of courses.
3679. Disapproval of courses.
3679A. Disapproval of enrollment in certain courses.
3680. Payment of educational assistance or subsistence allowances.

* * * * * * *

Subchapter I—State Approving Agencies

* * * * * * *

§ 3675. Approval of accredited courses

(a)*(1)* A State approving agency may approve the courses offered by an educational institution when—

[(1)] *(A)* such courses have been accredited and approved by a nationally recognized accrediting agency or association;

[(2)] *(B)* such courses are conducted under [sections 11–28 of title 20;] or *the Act of February 23, 1917 (20 U.S.C. 11 et seq.)*;

[(3)] *(C)* such courses are accepted by the State department of education for credit for a teacher's certificate or a teacher's degree.

[For the purposes of this chapter the Secretary of Education shall publish a list of nationally recognized accrediting agencies and associations which the Secretary determines to be reliable authority as to the quality of training offered by an educational institution and the State approving agencies may, upon concurrence, utilize the accreditation of such accrediting associations or agencies for approval of the courses specifically accredited and approved by such accrediting association or agency. In making application for approval, the institution shall transmit to the State approving agency copies of its catalog or bulletin which must be certified as true and correct in content and policy by an authorized representative of the school. The catalog or bulletin must specifically state its progress requirements for graduation and must include as a minimum the information required by sections 3676(b)(6) and (7) of this title.]

(2)(A) For the purposes of this chapter, the Secretary of Education shall publish a list of nationally recognized accrediting

agencies and associations which that Secretary determines to be reliable authority as to the quality of training offered by an educational institution.

(B) A State approving agency may utilize the accreditation of any accrediting association or agency listed pursuant to subparagraph (A) of this paragraph for approval of courses specifically accredited and approved by such accrediting association or agency.

(3)(A) An educational institution shall submit an application for approval of courses to the appropriate State approving agency. In making application for approval, the institution (other than an elementary school or secondary school) shall transmit to the State approving agency copies of is catalog or bulletin which must be certified as true and correct in content and policy by an authorized representative of the institution.

(B) Each catalog or bulletin transmitted by an institution under subparagraph (A) of this paragraph shall—

(i) state with specificity the requirements of the institution with respect to graduation;

(ii) include the information required under paragraphs (6) and (7) of section 3676(b) of this title; and

(iii) include any attendance standards of the institution, if the institution has and enforces such standards.

* * * * * * *

§ 3676. Approval of nonaccredited courses

(a) * * *

* * * * * * *

(e) Notwithstanding any other provision of this title, a course of education which has not been approved by a State approving agency pursuant to section 3675 of this title may not be approved under this section if it is to be pursued, in whole or in part, by independent study.

* * * * * * *

§ 3679A. Disapproval of enrollment in certain courses

(a) The Secretary shall not approve the enrollment of an eligible veteran in—

(1) any bartending course or personality development course;

(2) any sales or sales management course which does not provide specialized training within a specific vocational field;

(3) any type of course which the Secretary finds to be avocational or recreational in character (or the advertising for which the Secretary finds contains significant avocational or recreational themes) unless the veteran submits justification showing that the course will be a bona fide use in the pursuit of the veteran's present or contemplated business or occupation; or

(4) any independent study program except an accredited independent study program leading to a standard college degree.

(b) Except as provided in this title or chapter 106 of title 10, the Secretary shall not approve the enrollment of an eligible veteran in any course of flight training other than one given by an educational

institution of higher learning for credit toward a standard college degree the eligible veteran is seeking.

(c) The Secretary shall not approve the enrollment of an eligible veteran in any course to be pursued by radio or by open circuit television, except that the Secretary may approve the enrollment of an eligible veteran in a course, to be pursued in residence, leading to a standard college degree which includes, as an integral part thereof, subjects offered through open circuit television.

(d)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall not approve the enrollment of any eligible veteran, not already enrolled, in any course for any period during which the Secretary finds that more than 85 percent of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or by the Department of Veterans Affairs under this title or under chapter 106 of title 10. The Secretary may waive the requirements of this subsection, in whole or in part, if the Secretary determines, pursuant to regulations which the Secretary shall prescribe, it to be in the interest of the eligible veteran and the Federal Government. The provisions of this subsection shall not apply to any course offered by an educational institution if the total number of veterans and persons receiving assistance under this chapter or chapter 30, 31, 32, or 35 of this title under chapter 106 of title 10 who are enrolled in such institution equals 35 percent or less, or such other per centum as the Secretary prescribes in regulations, of the total student enrollment at such institution (computed separately for the main campus and any branch or extension of such institution), except that the Secretary may apply the provisions of this subsection with respect to any course in which the Secretary has reason to believe that the enrollment of such veterans and persons may be in excess of 85 percent of the total student enrollment in such course.

(2) Paragraph (1) of this subsection does not apply with respect to the enrollment of a veteran—

(A) in a course offered pursuant to section 3019, 3034(a)(3), 3234, 3241(a)(2), or 3533 of this title or section 2131(h) of title 10;

(B) in a farm cooperative training course; or

(C) in a course described in section 3689(b)(6) of this title.

§ 3680. Payment of educational assistance or subsistence allowances

Period for Which Payment May Be Made

(a) * * *

* * * * * * *

Recovery of Erroneous Payments

[(e) If] *(e)(1) Subject to paragraph (2), if* an eligible veteran or eligible [person,] *person* fails to enroll in or pursue a course for which an educational assistance or subsistence allowance advance payment is made, the amount of such payment and any amount of subsequent payments which, in whole or in part, are due to erroneous information required to be furnished under subsection (d)(2) of

this section, shall become an overpayment and shall constitute a liability of such veteran or person to the United States and may be recovered, unless waived pursuant to section 5302 of this title, from any benefit otherwise due such veteran or person under any law administered by the Department of Veterans Affairs or may be recovered in the same manner as any other debt due the United States.

(2) Paragraph (1) shall not apply to the recovery of an overpayment of an educational allowance or subsistence allowance advance payment to an eligible veteran or eligible person who fails to enroll in or pursue a course of education for which the payment is made if such failure is due to the death of the veteran or person.

* * * * * * *

Subchapter II—Miscellaneous Provisions

§ 3681. Limitations on educational assistance

(a) No educational assistance allowance granted under chapter 30, 34, 35, or 36 of this title or 106 or 107 of title 10, or subsistence allowance granted under chapter 31 of this title shall be paid to any eligible person (1) who is on active duty and is pursuing a course of education which is being paid for by the Armed Forces (or by the Department of Health and Human Services in the case of the Public Health Service); or (2) who is attending a course of education or training paid for under chapter 41 of title [5 and whose full salary is being paid to such person while so training.] *5.*

* * * * * * *

§ 3688. Measurement of courses

(a) For the purposes of this chapter and chapter 34 and 35 of this title—

(1) an institutional trade or technical course offered on a clock-hour basis, not leading to a standard college degree, involving shop practice as an integral part thereof, shall be considered a full-time course when a minimum of [thirty hours per week of attendance is required with no more than two and one-half hours of rest periods and not more than 5 hours of supervised study per week allowed, but if such course is approved pursuant to section 3675(a)(1) of this title, then] 22 hours per week of [attendance,] *attendance (excluding supervised study) is required,* with no more than 2½ hours per week rest [period per week allowed and excluding supervised study, shall be considered full time;] *periods allowed;*

(2) an institutional course offered on a clock-hour basis, not leading to a standard college degree, in which theoretical or classroom instruction predominates shall be considered a full-time course when a minimum of [twenty-five] *18* hours per week net of instruction [and not more than 5 hours of supervised study] (which *10 shall exclude supervised study but* may include customary intervals not to exceed [ten] *10* minutes between hours of instruction) is [required, but if such course is approved pursuant to section 3675(a)(1) of this title, then 18 hours per week net of instruction (excluding supervised study),

which may include customary intervals not to exceed ten minutes between hours of instruction, shall be considered full time;] *required;*

(3) an academic high school course requiring sixteen units for a full course shall be considered a full-time course when (A) a minimum of four units per year is required or (B) an individual is pursuing a program of education leading to an accredited high school diploma at a rate which, if continued, would result in receipt of such a diploma in four ordinary school years. For the purpose of subclause (A) of this clause, a unit is defined to be not less than one hundred and twenty sixty-minute hours or their equivalent of study in any subject in one academic year;

(4) an institutional undergraduate course offered by a college or university [in residence] on a standard quarter- or semester-hour basis *(other than a course pursued as part of a program of education beyond the baccalaureate level)* shall be considered a full-time course when a minimum of fourteen semester hours per semester or the equivalent thereof (including such hours for which no credit is granted but which are required to be taken to correct an educational deficiency and which the educational institution considers to be quarter or semester hours for other administrative purposes), for which credit is granted toward a standard college degree, is required, except that where such college or university certifies, upon the request of the Secretary, that (A) full-time tuition is charged to all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, or (B) all undergraduate students carrying a minimum of less than fourteen such semester hours or the equivalent thereof, are considered to be pursuing a full-time course for other administrative purposes, then such an institutional undergraduate course offered by such college or university with such minimum number of such semester hours shall be considered a full-time course, but in the event such minimum number of semester hours is less than twelve semester hours or the equivalent thereof, then twelve semester hours or the equivalent thereof shall be considered a full-time course;

(5) a program of apprenticeship or a program of other on-job training shall be considered a full-time program when the eligible veterans or person is required to work the number of hours constituting the standard workweek of the training establishment, but a workweek of less than thirty hours shall not be considered to constitute full-time training unless a lesser number of hours has been established as the standard workweek for the particular establishment through bona fide collective bargaining;

(6) an institutional course offered *by an educational institution under section 3034(a)(3), 3241(a)(2), or 3533(a) of this title* as part of a program of [education], *education* not leading to a standard college [degree, under section 3491(a)(2) of this title] *degree* shall be considered a full-time course on the basis of measurement criteria provided in clause (2), (3), or (4) of this subsection as determined by the educational institution; and

(7) an institutional course not leading to a standard college [degree,] *degree* offered by [a fully accredited] *an* institution of higher learning [in residence] on a standard quarter- or semester-hour [basis,] *basis* shall be measured as full time on the same basis as provided *for* in clause (4) of this [subsection if (A) such course is approved pursuant to section 3675 of this title, and (B) a majority of the total credits required for the course is derived from unit courses or subjects offered by the institution as part of a course, so approved, leading to a standard college degree.] *subsection, except that such a course may not be measured as full time if the course requires less than the minimum weekly hours of attendance required for full-time measurement under clause (1) or (2) of this subsection, as the case may be.*

[Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses much be measured on not less than one quarter or one semester hour for each two hours (or two 50-minute periods) of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours (or three 50-minute periods) of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than twenty-two hours per week of attendance is required.]

(b) The Secretary shall define part-time training in the case of the types of courses referred to in subsection (a), and shall define full-time and part-time training in the case of all other types of courses pursued under this chapter or chapter [34] *30, 32,* or 35 of this title.

[(c) For the purposes of subsection (a) of this section, the term "in residence on a standard quarter- or semester-hour basis" means a study at a site or campus of a college or university, or off-campus at an official resident center, requiring pursuit of regularly scheduled weekly class instruction at the rate of one standard class session per week throughout the quarter or semester for one quarter or one semester hour of credit. For the purposes of the preceding sentence, the term "standard class session" means one hour (or fifty-minute period) of academic instruction, two hours (or two 50-minute periods) of laboratory instruction, or three hours (or three 50-minute periods) of workshop training.

[(d) Notwithstanding any other provision of this title, an institutional undergraduate course leading to a standard college degree offered by a college or university in residence shall be considered to be a full-time course if—

[(1) the educational institution offering such course considers such course to be a full-time course and treats such course as a full-time course for all purposes, including (A) payment of

tuition and fees, (B) the awarding of academic credit for the purpose of meeting graduation requirements, and (C) the transfer of such credits to an undergraduate course meeting the criteria set forth in subsection (a)(4) of this section;

[(2) less than 50 percent of the persons enrolled in such course are receiving educational assistance under this title;

[(3) such course would qualify as a full-time course under subsection (a)(4) of this section, except that it does not meet the requirements of such subsection with respect to weekly class instruction; and

[(4) the course requires—

[(A) pursuit of standard class sessions for each credit at a rate not less frequent than every two weeks; and

[(B) monthly pursuit of a total number of standard class sessions equal to that number of standard class sessions which, during the same period of time, is required for a course qualifying as a full-time course under subsection (a)(4) of this section.

[(e)(1) For the purpose of measuring clock hours of attendance or net of instruction under clause (1) or (2), respectively, of subsection (a) of this section for a course—

[(A) which is offered by an institution of higher learning, and

[(B) for which the institution requires one or more unit courses or subjects for which credit is granted toward a standard college degree pursued in residence on a standard quarter- or semester-hour basis,

the number of credit hours (semester or quarter hours) represented by such unit courses or subjects shall, during the semester, quarter, or other applicable portion of the academic year when pursued, be converted to equivalent clock hours, determined as prescribed in paragraph (2) of this subsection. Such equivalent clock hours then shall be combined with actual weekly clock hours of training concurrently pursued, if any, to determine the total clock hours of enrollment.

[(2) For the purpose of determining the clock-hour equivalency described in paragraph (1) of this subsection, the total number of credit hours being pursued will be multiplied by the factor resulting from dividing the number of clock hours which constitute full time under clause (1) or (2) of subsection (a) of this section, as appropriate, by the number of semester hours (or the equivalent thereof) which, under clause (4) of such subsection, constitutes a full-time institutional undergraduate course at such institution.]

* * * * * * *

§ 3691. Change of program

(a) * * *

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(d) [As used in] *For the purposes of* this [section] *section,* the term "change of program of education" shall not be deemed to include a change *by a veteran or eligible person* from the pursuit of one program to *the* pursuit of another [where the first program is

prerequisite to, or generally required for, entrance into pursuit of the second.] *program if—*

(1) the veteran or eligible person has successfully completed the former program;

(2) the program leads to a vocational, educational, or professional objective in the same general field as the former program;

(3) the former program is a prerequisite to, or generally required for, pursuit of the subsequent program; or

(4) in the case of a change from the pursuit of a subsequent program to the pursuit of a former program, the veteran or eligible person resumes pursuit of the former program without loss of credit or standing in the former program.

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CHAPTER 41—JOB COUNSELING, TRAINING, AND PLACEMENT SERVICES FOR VETERANS

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§ 4103A. Disabled veterans' outreach program

(a)(1) The amount of funds made available for use in a State under section 4102A(b)(5)(A)(i) of this title shall be sufficient to support the appointment of one disabled veterans' outreach program specialist for each [5,300] *6,900* veterans *residing in such State who are either veterans* of the Vietnam [era and disabled veterans residing in such State.] *era, veterans who first entered on active duty as a member of the Armed Forces after May 7, 1975, or disabled veterans.* Each such specialist shall be a qualified veteran. Preference shall be given in the appointment of such specialists to qualified disabled veterans of the Vietnam era. If the Secretary finds that a qualified disabled veteran of the Vietnam era is not available for such appointment, preference for such appointment shall be given to other qualified disabled veterans. If the Secretary finds that no qualified disabled veteran is available for such appointment, such appointment may be given to any qualified veteran. Each such specialist shall be compensated at a rate not less than the rate prescribed for an entry level professional in the State government of the State concerned.

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CHAPTER 42—EMPLOYMENT AND TRAINING OF VETERANS

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§ 4211. Definitions

As used in this chapter—

(1) * * *

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[(2)(A) Subject to subparagraph (B) of this paragraph, the] *(2) The* term "veteran of the Vietnam era" means an eligible veteran any part of whose active military, navel, or air service was during the Vietnam era.

[(B) No veteran may be considered to be a veteran of the Vietnam era under this paragraph after December 31, 1994, except for purposes of section 4214 of this title.]

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PART IV—GENERAL ADMINISTRATIVE PROVISIONS

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CHAPTER 51—CLAIMS, EFFECTIVE DATES, AND PAYMENTS

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Subchapter II—Effective Dates

§ 5110. Effective dates of awards

(a) * * *

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(h) Where an award of pension has been deferred or pension has been awarded at rate based on anticipated income for a year and the claimant later establishes that income for that year was at a rate warranting entitlement or increased entitlement, the effective date of such entitlement or increase shall be fixed in accordance with the facts found if satisfactory evidence is received before the expiration of the next [calendar] year.

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CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS

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§ 5306. Renouncement of right to benefits

(a) * * *

(b)*(1)* Renouncement of rights shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later [date, but such new application shall be treated as an original application, and no payments shall be made for any period before the date such new application is filed.] *date.*

(2) Except as provided in paragraph (3), a new application for pension, compensation, or dependency and indemnity compensation under this subsection shall be treated as an original application, and no payments shall be made for any period before the date such application is filed.

(3) An application for dependency and indemnity compensation to parents payable under section 1315 of this title or for pension payable under chapter 15 of this title is filed during the one-year period beginning on the date that a renouncement thereto was filed by the person pursuant to subsection (a) shall not be considered an original

application, and payment of such benefits shall be made as if the renouncement had not occurred.

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§ 5317. Use of income information from other agencies: notice and verification

(a) * * *

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[(g) The authority of the Secretary to obtain information from the Secretary of the Treasury or the Secretary of Health and Human Services under section 6103(l)(7)(D)(viii) of the Internal Revenue Code of 1986 expires on September 30, 1992.]

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CHAPTER 55—MINORS, INCOMPETENTS, AND OTHER WARDS

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§ 5503. Hospitalized veterans and estates of incompetent institutionalized veterans

(a)(1)(A) * * *

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(f)(1) * * *

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[(2) If a veteran having neither spouse nor child is covered by a Medicaid plan for services furnished such veteran by a nursing facility, no pension in excess of $90 per month shall be paid to or for the veteran for any period after the month of admission to such nursing facility.]

(2)(A) Not more than $90 per month may be paid under chapter 15 of this title to or for any person described in subparagraph (B) for any period that a nursing facility furnishes such person with services covered by a Medicaid plan. The restriction in the preceding sentence applies to periods after the month of the person's admission to the nursing facility.

(B) A person referred to in subparagraph (A) is a person—

(i) who is covered by a Medicaid plan for services furnished such person by a nursing facility; and

(ii) who is (I) a veteran who has neither spouse nor child, or (II) a surviving spouse who has no child.

(3) Notwithstanding any provision of title XIX of the Social Security Act, the amount of the payment paid a nursing facility pursuant to a Medicaid plan for services furnished a [veteran] *person referred to in paragraph (2)(A)* may not be reduced by any amount of pension permitted to be paid such [veteran under paragraph (2) of this subsection.] *person under such paragraph.*

(4) A [veteran] *person referred to in paragraph (2)(A)* is not liable to the United States for any payment of pension in excess of the amount permitted under this subsection that is paid to or for the [veteran] *person* by reason of the inability of failure of the

Secretary to reduce the [veteran's] *person's* pension under this subsection unless such inability or failure is the result of a willful concealment by the [veteran] *person* of information necessary to make a reduction in pension under this subsection.

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[(6) This subsection expires on September 30, 1992.]

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INTERNAL REVENUE CODE OF 1986

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Subtitle F—Procedure and Administration

CHAPTER 61—INFORMATION AND RETURNS

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Subchapter B—Miscellaneous Provisions

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SEC. 6103. CONFIDENTIALITY AND DISCLOSURE OF RETURNS AND RETURN INFORMATION.

(a) * * *

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(l) Disclosure of returns and return information for purposes other than tax administration.—

(1) * * *

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(7) DISCLOSURE OF RETURN INFORMATION TO FEDERAL, STATE, AND LOCAL AGENCIES ADMINISTERING CERTAIN PROGRAMS UNDER THE SOCIAL SECURITY ACT, THE FOOD STAMP ACT OF 1977 OR TITLE 38, UNITED STATES CODE.—

(A) RETURN INFORMATION FROM SOCIAL SECURITY ADMINISTRATION.—The Commissioner of Social Security shall, upon written request, disclose return information from returns with respect to net earnings from self-employment (as defined in section 1402), wages (as defined in section 3121(a) or 3401(a)), and payments of retirement income, which have been disclosed to the Social Security Administration as provided by paragraph (1) or (5) of this subsection, to any Federal, State, or local agency administering a program listed in subparagraph (D).

(B) RETURN INFORMATION FROM INTERNAL REVENUE SERVICE.—The Secretary shall, upon written request, disclose current return information from returns with respect to unearned income from the Internal Revenue Service files to any Federal, State, or local agency administering a program listed in subparagraph (D).

(C) RESTRICTION ON DISCLOSURE.—The Commissioner of Social Security and the Secretary shall disclose return information under subparagraphs (A) and (B) only for pur-

poses of, and to the extent necessary in, determining eligibility for, or the correct amount of, benefits under a program listed in subparagraph (D).

(D) PROGRAMS TO WHICH RULE APPLIES.—The programs to which this paragraph applies are:

(i) aid to families with dependent children provided under a State plan approved under part A of title IV of the Social Security Act;

(ii) medical assistance provided under a State plan approved under title XIX of the Social Security Act;

(iii) supplemental security income benefits provided under title XVI of the Social Security Act, and federally administered supplementary payments of the type described in section 1616(a) of such Act (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93–66);

(iv) any benefits provided under a State plan approved under title I, X, XIV, or XVI of the Social Security Act (as those titles apply to Puerto Rico, Guam, and the Virgin Islands);

(v) unemployment compensation provided under a State law described in section 3304 of this title;

(vi) assistance provided under the Food Stamp Act of 1977;

(vii) State-administered supplementary payments of the type described in section 1616(a) of the Social Security Act (including payments pursuant to an agreement entered into under section 212(a) of Public Law 93–66); and

(viii)(I) any needs-based pension provided under chapter 15 of title 38, United States Code, or under any other law administered by the Secretary of Veterans Affairs;

(II) parents' dependency and indemnity compensation provided under section 415 of title 38, United States Code;

(III) health-care services furnished under section 610(a)(1)(I), 610(a)(2), 610(b), and 612(a)(2)(B) of such title; and

(IV) compensation paid under chapter 11 of title 38, United States Code, at the 100 percent rate based solely on unemployability and without regard to the fact that the disability or disabilities are not rated as 100 percent disabling under the rating schedule.

Only return information from returns with respect to net earnings from self-employment and wages may be disclosed under this paragraph for use with respect to any program described in clause (viii)(IV). [Clause (viii) shall not apply after September 30, 1992.]

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